

| CONFIDENTIAL INDUSTRIAL INTELLIGENCE MEMORANDUM

THE 2026 IRAQI FULLY INTEGRATED PACKAGING BOOM

The Investor's Playbook to Dominating the Branded Square-Bottom Bag Market with Inline Printing Automation Before the November Plastic Ban Deadline

BSQP-SERIE FOCUS

IRAQ MARKET 2026

INVESTOR & ENTERPRISE USE ONLY



B-OSON
Tera Pack

Prepared for Industrial Investors, Factory Owners &
Enterprise Commercial Printers
Edition: Mid-2026

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SECTION 01

Executive Memorandum

To: Iraqi Industrial Investors, Factory Owners, and Enterprise Commercial Printers
Context: Current State of the Market (Mid-2026)
The Core Objective: Establishing localized, high-speed branded square-bottom paper bag manufacturing infrastructure ahead of the government's plastic bag phase-out.

The Countdown Is Active

On **May 19, 2026**, Iraq's Council of Ministers approved recommendations from the National Committee for Reducing Plastic Pollution, and the Ministry of Environment confirmed that a phased ban on single-use plastic shopping bags will begin in **early November 2026**. Within six months of the decision, the free distribution of plastic bags ends, their use in bakeries is prohibited, and their importation is halted — with paper and biodegradable alternatives positioned as the intended replacement. Bags used for samoon and bread remain exempt, and the ban targets shopping bags rather than industrial packaging.

For hypermarkets, grocery chains, fast-food franchises, and snack and food manufacturers who depend on branded, shelf-ready packaging, this is a hard supply deadline, not a gradual transition. Capital spend in this category will move toward whichever local suppliers can deliver high-volume, high-definition branded Kraft packaging first.

Nov 2026 BAN PHASE-IN BEGINS	6 Months FROM CABINET DECISION TO ENFORCEMENT	~40M POPULATION DRIVING RETAIL BAG DEMAND
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The Tariff Landscape (Cabinet Decision No. 957)

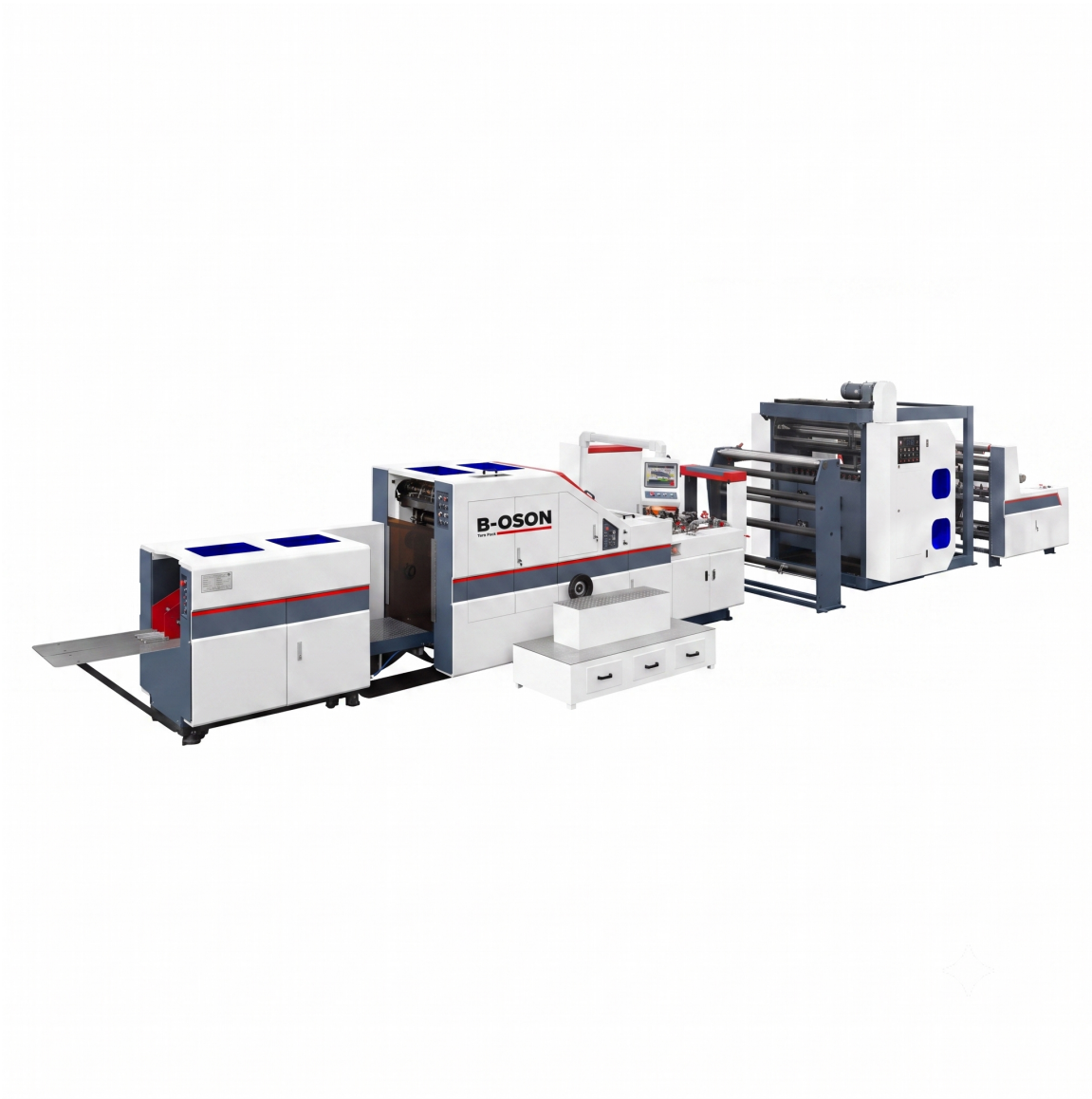
Since early 2026, Iraq has been enforcing a revised, unified customs schedule under **Cabinet Decision No. 957 (2025)**, which restructured tariff brackets across the full national tariff schedule — spanning roughly 0.5% to 30% depending on the classification of the goods. Publicly reported guidance places industrial production machinery, including packaging line equipment, toward the **lower end of that schedule** under brackets intended to encourage domestic industrial development, while finished consumer goods — including imported paper and packaging products — have historically been the target of additional protective duties when local manufacturing capacity exists.

Verify before committing capital. Tariff decision No. 957 remains subject to ongoing parliamentary and legal debate in Iraq over its scope and legal basis. Exact duty rates depend on the HS code assigned to a specific machine and shipment, and can change administratively. Confirm current, shipment-specific rates with a licensed Iraqi customs broker or the General Customs Authority before finalizing any import order.

The Strategic Read: A government actively restricting finished plastic and paper goods while keeping duties on production machinery comparatively low is, in effect, subsidizing whoever builds local capacity first. Importing BSQP-Serie machinery now positions a factory to serve the post-ban market from inside that shield, rather than importing finished bags at the higher end of the schedule.

SECTION 02

The Production Asset: B-OSON Tera Pack BSQP-Serie



The B-OSON Tera Pack BSQP-Serie inline production line: roll feed, printing calibration, tube forming, and bottom-folding stages shown left to right.

Complete Inline Synchronization: One Pass, Zero Waste

The BSQP-Serie is engineered as an all-in-one production line: raw paper rolls — Kraft, slick, coated, or medical-grade — enter at one end, and counted, printed, retail-ready square-bottom bags exit at the other, in a single uninterrupted mechanical pass. This removes the multi-machine, multi-operator handoffs that slow down conventional bag-and-print setups.

RAW PAPER ROLL INPUT → HIGH-PRECISION PERFORATING → MIDDLE GLUING → PRINTED PATTERN CALIBRATION → TUBE FORMING → CALIBRATION SNAPPING → BOTTOM FOLDING & GLUING → QUANTITATIVE PRODUCT COLLECTION

Advanced Automation & Precision Engineering Features

- **Elite German Electronics Core:** Driven by German KEB servo systems paired with German SICK optoelectronics, tracking and calibrating printed material registration at high running speeds.
- **Spider-Style Synchronous Adjustment:** The center clamp finger, drum clamp, and drum mechanical finger use a synchronized spider-style mechanical design intended to cut changeover time between bag sizes compared to manually adjusted legacy machines.
- **Intelligent Flow & Safety Controls:** Automatic lubrication supply, mechanical blockage alarms, and an automated shutdown sensor that halts operation when raw material is not detected, reducing operator-error exposure.
- **Heavy Hydraulic Infrastructure:** Hydraulic lifting for raw material roll handling, paired with automatic tension control for continuous, low-interruption unwinding.



Representative finished output: a branded, Kraft square-bottom bag with inline-printed graphics.

SECTION 03

Strategic Advantage: Why Integrated Inline Printing Maximizes EBIT Margins

Investors targeting the 2026 packaging transition can achieve a materially different cost-per-unit profile by choosing the BSQP inline printing configuration over separate printing and bag-making machines run as two disconnected processes.

Zero Intermediate Labor Costs

A conventional two-machine setup requires printing on an independent flexo press, rewinding the heavy roll, transporting it by forklift, and reloading it into a separate converter. The BSQP line removes that intermediate rewinding and handling step entirely, cutting the floor labor otherwise spent moving and re-registering roll stock between machines.

Drastic Waste Mitigation

Running web paper through two separate machines multiplies the opportunities for registration drift and web-tension tears, since the material is unwound, handled, and re-tensioned twice. The BSQP-Serie's unified tension matrix keeps the paper under continuous, structural control from roll to finished bag, which is the mechanical basis for lower scrap rates on premium coated and Kraft stocks.

The Diverse Branding Premium

Modern hypermarkets and fast-food chains generally do not accept blank bags. Printing custom logos, barcodes, and promotional artwork directly inline during bag formation is what lets a converter sell branded packaging rather than commodity stock — and branded, custom-printed packaging commonly commands a real premium over generic, unbranded bags in this market.

Margin premiums for branded versus generic packaging vary by buyer, contract volume, and print complexity. Treat any specific premium percentage as a planning assumption to validate with your own quoted pricing, not a guaranteed market rate.

SECTION 04

The High-Margin BSQP Product Portfolio

A single BSQP line can be reconfigured across paper weight, width, and print complexity to serve several distinct commercial niches — spreading demand risk across more than one buyer category.

Fast Food & QSR Packaging

High-speed, branded square-bottom bags for international and local fast-food networks — sized to hold burgers, fries, and combo orders securely while carrying high-definition corporate branding.

Visual direction: vibrant, branded Kraft takeaway bags on a modern counter.

Commercial Bakery & Pastry Bags

Structural bakery bags for industrial bakeries and pastry retail chains facing the November ban, including configurations with clear product windows where required.

Visual direction: baked bread visible inside printed brown Kraft bakery bags.

Premium Snack & Dry Fruit Bags

A high-value segment supplying agricultural packers, nut roasters, and dried fruit exporters who need coated or slick paper stock with vibrant, multi-color point-of-sale branding.

Visual direction: glossy or matte-coated square-bottom pouches filled with nuts or dried fruit.

Retail & Boutique Shopping Bags

Heavier paper formats — up to 150 gsm on the larger models — for structural, flat-bottom carrier bags that meet the payload strength and finish expected by apparel and cosmetics brands.

Visual direction: retail shopping bags with high-contrast printed logos and sturdy flat bases.

SECTION 05

Technical Specifications & Machinery Matrix

The comparative matrix below spans all four specialized BSQP models. Use it to match working width, paper weight range, and throughput to your target product niche.

Machine Parameter	BSQP-180	BSQP-290	BSQP-330	BSQP-460
Bag Width Range	80 – 190 mm	120 – 290 mm	140 – 330 mm	220 – 460 mm
Bag Length Range	191 – 371 mm	260 – 533 mm	260 – 533 mm	260 – 533 mm
Bottom Size Range	50 – 100 mm	60 – 180 mm	60 – 180 mm	60 – 180 mm
Paper Thickness Range	50 – 120 gsm	60 – 150 gsm	60 – 150 gsm	60 – 150 gsm
Max Paper Roll Width	320 – 600 mm	320 – 900 mm	320 – 900 mm	600 – 1300 mm
Max Roll Diameter	1300 mm	1300 mm	1300 mm	1300 mm
Material Core Diameter	76 mm	76 mm	76 mm	76 mm
Peak Production Speed	200 pcs/min	200 pcs/min	200 pcs/min	180 pcs/min
Total Rated Power	19 KW	23 KW	23 KW	23 KW
Total Machine Weight	5,000 KG	8,500 KG	9,000 KG	10,000 KG
Machine Dimensions (L×W×H)	10.0×1.6×1.75 m	11.0×2.5×1.8 m	11.0×2.6×1.8 m	11.0×3.0×1.8 m

Platform Output Capabilities Framework

220-460mm BAG-MAKING WIDTH, OVERALL WINDOW	260-533mm BAG-MAKING LENGTH, OVERALL WINDOW	180 bpm STANDARD OUTPUT, LARGE-SCALE DIMENSIONS
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Confirm the current, factory-issued specification sheet and request a witnessed factory acceptance test for the specific model and configuration before finalizing a purchase order or letter of credit — production tolerances can vary by paper grade and print complexity.

SECTION 06

Demand Mapping: Who Buys the Bags on Day One

The plastic bag ban does not create demand from nothing — it reallocates existing, recurring packaging spend that Iraqi retailers and food businesses already commit every month. The buyers below are the segments the Ministry of Environment's own framing points toward as needing an immediate paper-bag substitute.

Segment	Why They Need Branded Paper Bags Immediately	Typical BSQP Fit
Hypermarkets & supermarket chains	Highest daily bag volume; brand-visible checkout packaging	BSQP-290 / BSQP-330
Fast-food & QSR franchises	Branded takeaway packaging is part of the customer experience	BSQP-180 / BSQP-290
Bakeries & snack producers	Direct substitute for the plastic bags now facing use restrictions in bakeries	BSQP-180
Food conglomerates verticalizing packaging	Insulating their own supply chain from third-party bag shortages	BSQP-330 / BSQP-460
Commercial printers	Adding bag manufacturing to an existing printing business line	Any BSQP model, sized to committed order volume

The ban text itself covers plastic shopping bags and exempts bread/samoon bags; it does not ban packaging or storage bags outright. Investors should size demand against the specific retail and food-service categories actually affected, rather than assuming universal, uncapped demand across every packaging use.

SECTION 07

The Investment Case

Every factory's economics differ by paper cost, labor rate, utility cost, financing terms, and achieved order volume. The framework below is a planning structure, not a projection or guarantee of returns.

Cost Components to Model

Line Item	What Drives It
Machine capital cost (CIF Iraq)	BSQP model selected, plus applicable machinery duty bracket under the current tariff schedule
Freight, installation & commissioning	Port of entry, factory readiness, technician travel
Raw paper (Kraft/coated rolls)	Global pulp and paper pricing, import logistics
Ink, plates & consumables	Print complexity, number of SKUs run per shift
Labor & utilities	Local wage rates, electricity reliability and cost
Working capital	Payment terms with retail and food-service buyers

This section is provided for general planning purposes only and is not financial or investment advice. Model your own return assumptions — or work with a qualified financial advisor or accountant — using your actual quoted machine price, financing terms, paper costs, and confirmed order commitments before making a capital decision.

What Tends to Move the Payback Period

- **Secured offtake before installation** — a signed volume commitment from at least one hypermarket chain or franchise group materially de-risks the ramp-up period.
- **Changeover speed** — factories running multiple SKUs per shift benefit disproportionately from the spider-style synchronous adjustment system, since idle changeover time is unrecovered capacity.
- **Utilization rate** — a single-pass line only outperforms multi-machine setups if it is fed consistently; unreliable raw paper supply undermines the automation advantage.

Transition Blueprint & Execution Timeline

To establish factory footprint and pursue market share ahead of the November 2026 deadline, investors typically move through three strategic phases before the detailed operational timeline below even begins.

The Three-Phase Transition Blueprint

- 1. Scale Calibration & Printing Configuration.** Map your target contracts first. A compact BSQP-180 fits high-volume snack, pharmacy, and bakery configurations; a BSQP-460 fits enterprise-scale retail and hypermarket contracts.
- 2. Customs Clearance Planning.** Work with a licensed customs broker to process the machinery import under whichever capital-equipment tariff bracket your shipment's confirmed HS code actually falls into, to avoid avoidable border delays.
- 3. Operational Launch & Contract Locking.** Bring the unified BSQP inline line into production and prioritize securing multi-year supply agreements with grocery chains, food brands, and fast-food groups early, before the local market has multiple competing suppliers.

Detailed Operational Timeline

Phase	Typical Activity	Investor Action
1. Commitment	Model selection, quotation, contract	Confirm BSQP model, get formal quotation and lead time in writing
2. Financing & Import Prep	Letter of credit, customs classification, machinery duty confirmation	Engage a customs broker to confirm the applicable HS code and duty bracket before shipment
3. Manufacturing & Shipping	Machine build, factory testing, sea freight to Iraqi port	Track lead time against the November enforcement window
4. Installation & Commissioning	On-site assembly, servo calibration, print registration testing	Schedule technician travel and factory readiness (power, floor space, paper supply) in parallel with shipping
5. Commercial Ramp	First branded production runs, buyer sampling	Line up retail/food-service samples and purchase orders ahead of commissioning, not after

Given international shipping and commissioning lead times, investors targeting first branded output before the November enforcement window should treat quotation and financing decisions as time-critical, not exploratory.

SECTION 09

Risk Register

Risk	Consideration
Tariff and customs uncertainty	Cabinet Decision No. 957 has faced parliamentary challenge in Iraq over its legal basis; rates and enforcement mechanics could be amended.
Ban enforcement timing	Phase-in dates for cabinet decisions can shift; confirm the current enforcement calendar with the Ministry of Environment before locking a launch date to it.
Electricity & utility reliability	Continuous single-pass automation is sensitive to power interruptions; backup power planning should be part of the factory setup.
Paper supply chain	Kraft and coated paper roll availability and pricing are subject to global pulp market movements.
Competing local capacity	Other investors are reading the same market signal; securing offtake agreements early reduces exposure to a crowded first-mover field.

SECTION 10

Warranty & Deployment Lock: Sourcing Through Authorized Channels

OPERATIONAL NOTICE

B-OSON Tera Pack provides factory-level engineering certification, optical calibration, and specialized on-site deployment support for the Iraqi industrial market. Procuring BSQP-Serie assets through unauthorized third-party brokers or unverified parallel export channels can forfeit direct access to factory-authorized mechanical tuning, local spare-parts support, and the documentation typically required to support any tariff bracket claim tied to industrial-machinery imports.

With the November 2026 deadline approaching, machinery sitting idle due to alignment errors, tracking faults, or missing components is lost production time your factory cannot recover before the market opening. Sourcing through the manufacturer's authorized channel, with a signed spec sheet and factory acceptance test, is the practical way to avoid that exposure.

SECTION 11

Next Steps: Engaging B-OSON Tera Pack

Investors evaluating the BSQP-Serie should request, in writing, ahead of any commitment:

- A current, signed technical specification sheet for the specific BSQP model under consideration.
- A formal quotation including CIF Iraq pricing, lead time, and payment terms.
- Reference contacts or a witnessed factory test run, where feasible.
- Confirmation, from a licensed Iraqi customs broker, of the HS code and duty bracket that will actually apply to the shipment.

Secure Your Infrastructure Allocation Before the Deadline

Priority allocation, factory acceptance testing, and administrative clearing support for Iraqi private-sector installations — contact B-OSON Tera Pack today.

B-OSON **B-OSON Tera Pack** — BSQP-Serie Inline Square-Bottom Bag Production Systems

This document is a promotional and planning-support memorandum, not financial, legal, tax, or customs advice, and it is not issued by or on behalf of the Government of Iraq. Market, regulatory, and tariff information reflects public reporting available as of mid-2026 and is subject to change; regulatory dates, decision numbers, and duty rates referenced here (including Cabinet Decision No. 957) should be independently verified against official Iraqi government sources before any capital commitment is made. Machine specifications for the BSQP-180/290/330/460 are presented as planning-stage indications pending confirmation from B-OSON Tera Pack's current factory documentation. No investment outcome, return, or payback period is guaranteed.