

Make Mine a Mercedes

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Car owners in parts of Kurdistan are taking advantage of a new government scheme to get old bangers off the road.

A few kilometres east of the Kurdish city of Sulaimaniyah, in an area as big as a football stadium, drivers are lining up to watch their cars get crushed in the jaws of a wrecking machine.

The piles of crushed vehicles are now stacked as high as three-storey buildings, following a decision by the governing authorities to use financial incentives to get environment-damaging old vehicles off the roads.

In areas under the control of the Patriotic Union of Kurdistan, PUK, party, one of the two controlling parties in the Iraqi Kurdish region, the authorities have ordered all cars built before 1995 to be taken off the road and destroyed. In return, drivers are given a cash loan to help them upgrade to newer models.

Buses and taxis are also covered by the ruling. Bus owners are getting cash advances of seven million Iraqi dinars (5,000 US dollars) to buy models produced after 1995, while taxi drivers are offered four and a half million Iraqi dinars to upgrade.

The offer has proved tempting for some people who are keen to get into the taxi business but were previously unable to afford a vehicle.

Karwan Ahmed owned a 2002 Hyundai, but wanted to buy his own taxi. Like a number of other people, when the new ruling was introduced, he bought a 1986 model taxi and took it to be destroyed. He then picked up the loan, traded in his Hyundai and bought a brand new taxi.

The advance is just that, and car owners are supposed to pay the money back to the government in quarterly installments over a seven-year period. To guarantee that people pay up, the government uses the driver's property as collateral. As a result, anyone who doesn't own property can't get the cash.

Ahmed's friend Najmadeen Ahmed Saeed had also hoped to take advantage of the cash loan to buy a taxi, but with nothing to offer as collateral, he was refused.

Muhammed Jalal, the man in charge of administering the exchange programme, said the scheme had been introduced because "old cars harm the environment and do nothing for the national economy".

He explained that since the fall of the Baathist regime in 2003, imported cars have streamed into Iraq's previously closed markets. "Unfortunately, it seems that the more cars we destroy, the more vehicles come into this area," added Jalal. "But at least soon we'll have to go to a museum if we want to see old cars."

Shamal Mahmood Muhammed, a member of the recently-formed vehicle destruction committee, and a representative of the transport and communications ministry, said six billion Iraqi dinar (40,000 dollars) have so far been given to the almost 1,300 car owners whose vehicles have been destroyed.

Cars registered in governorates outside Sulaimaniyah are currently exempt from the ruling. “We can’t afford to roll the project out at the moment. We can only prioritise Sulaimaniyah-registered cars,” said finance and economy ministry representative Diler Abas.

While car owners may be happy with the new move, the province’s car salesmen are delighted. The ruling has meant much more business for Sulaimaiyah dealers as people look to trade up.

“Brand new cars are hard to come by these days,” said car salesman Othman Muhammed Jaff. “We’re importing new models from other cities to meet demand, even though it’s more expensive. This decision has been great for my profit margins.”

At a competing car lot, salesman Ahmed Qadir agreed, adding that the increased demand in Sulaimaniyah had forced up car prices in neighbouring cities. “But despite the prices, people are still buying,” he grinned.

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