

The over-extended and somewhat isolated government refocussed on agriculture. Development and modernization of the by then collectivised farming system was, however, thwarted by Syria's centrally-planned economy which has long suffered acute shortages of foreign exchange and western credits with which to import western equipment and technology. Perhaps the most brutal of several setbacks has been the persistent drought conditions that began to hit the country, most recently from 1987 to 1991, although preliminary estimates of 1991/92 rainfalls were above average.

Syria has, however, recently been showing strong signs of economic recovery led by its transformation from a net oil importer to a major exporter due to large new crude discoveries in 1987. The country was also a major beneficiary of the Gulf Crisis and events thereafter, benefitting not only due to windfall oil profits, but also from its political stance as a member of the coalition forces. It is expected that this will yield literally billions of dollars in cash transfers from the oil-surplus Gulf states.



Syria's increased prosperity has unleashed billions of dollars of major project activity and the government is placing increased emphasis on agricultural and other development with greater participation of a long restrained private sector. The agriculture sector, which according to official estimates accounts for over one-half of private economic activity and employs an equal ratio of the non-government workforce, will benefit from increased government revenues to implement badly needed modernization, much of it through the import of western goods and services.

In an effort to promote large-scale agriculture, the government has allowed the forming of "mixed companies" which enjoy exemptions from taxes, custom duties plus import and foreign exchange controls. Basically, these large companies are granted land rights, formerly illegal under Syria's socialist system, while the private investors provide management and capital.

Although most of Syria's cultivation is currently on rain-fed land, massive irrigation projects are being developed along the Euphrates River which will help to offset the effect of adverse climatic conditions in the future. In an effort to boost output, the government subsidizes the price of some types of seeds, seedlings, fertilizers, fuels and also the electricity used to operate water pumps. The Cooperative Bank also provides subsidized loans to buy farm machinery, and operational inputs. In short, the facilities are in place to ensure constant demand of goods and equipment.

MAIN CROPS

Although wheat and barley are the prime crops on approximately two thirds of the cultivated area, cotton remains the main cash crop and an important earner of export revenues. While a small amount of high quality cotton satisfies local consumption, the bulk of it is exported, primarily to Europe. Sugar beet is another important crop as are potatoes, maize, pulses, vegetables, oil seeds, tobacco and lentils.

The government directly subsidizes the production, particularly of pulses and wheat, by purchasing crops from the farmers at prices higher than international market prices to encourage production considered essential to food security.

OPPORTUNITIES

Opportunities for Canadian exporters are very encouraging as new investments are made to return agriculture to its former strength and process production. The large, private sector agricultural development companies which are essentially joint-venture between Syrian and foreign private investors and the government offer particular appeal. Healthy potential also exists in supply of agricultural goods and services to the state/collective system, badly in need of a multitude of agro-industry inputs, including machinery, seeds, pesticides, fertilizers and technology. Recently, for example, the government has called for international bids for a turnkey pesticide/insecticide factory and cotton processing facility, flour and feed mills and several large scale land reclamation projects, to name but a few.