

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 319 DAMASCUS

Country: 325 SYRIA

COMMERCIAL COVERAGE OF THE SYRIAN & LEBANESE MARKETS WILL FOCUS LARGELY ON IMPROVED MARKET PENETRATION PROSPECTS FOR CDN EXPORTERS IN INCREASINGLY MORE DIFFICULT TRADING ENVIRONMENTS. WHILE VISITS TO SYRIA BY AMMAN-BASED COMMERCIAL STAFF WILL CONTINUE ON A REGULAR BASIS ECONOMIC CIRCUMSTANCES IN SYRIA REMAIN DIFFICULT & NEW PROMOTIONAL INITIATIVES WILL REQUIRE EXTENSIVE RESEARCH & BACKGROUND WORK IN ORDER THAT VIABLE PROSPECTS BE IDENTIFIED. IN THE CASE OF LEBANON IMPROVED EXPORT PERFORMANCE BY CDN FIRMS WARRANTS RENEWED PROMOTIONAL EFFORTS ON THE PART OF COMMERCIAL REPRESENTATIVES. NO ACTIVE PROMOTIONAL EFFORTS HAVE BEEN UNDERTAKEN SINCE THE CLOSURE OF THE EMBASSY IN BEIRUT IN 85 & WE WOULD PROPOSE TO INITIATE A LIMITED PROGRAM OF MARKET CONTACTS & VISITS WITHIN FY 88/89. DESPITE DIFFICULT ECONOMIC CIRCUMSTANCES THE SYRIAN MARKET CONTINUES TO HOLD SUBSTANTIAL LONG TERM POTENTIAL FOR CDN GOODS & SERVICES. THE PAUCITY OF HARD-CURRENCY MAKES CASH SALES AN UNREALISTIC POSSIBILITY OVER THE SHORT TERM WITH MAJOR CAPITAL PROJECTS REQUIRING EXTERNAL FINANCING IN ORDER THAT THEY MAY BE DEVELOPED. THE ABSENCE OF EDC CORPORATE ACCOUNT COVERAGE IN SYRIA WILL BE A DEPRESSING FACTOR IN POTENTIAL SALES BY CDN FIRMS. IT IS HOPED THAT A RELAXATION OF IMPORT RESTRICTIONS UPON PRIVATE SECTOR BUYERS; A RETURN TO ESTABLISHED QUOTA PRACTICES AT THE DAMASCUS FAIR & POSSIBLE NEW CREDITS FROM ULTILATERAL FINANCING AGENCIES (EG IBRD) WILL RESULT IN AN IMPROVED IMPORT ENVIRONMENT FOR FOREIGN GOODS & SERVICES. IN TERMS OF SECTORAL CONCENTRATION EFFORTS WILL CONTINUE TO FOCUS ON THE FOLLOWING AREAS OF CANADIAN EXPERTISE: AGRICULTURE & FOOD PRODUCTS OIL & GAS DEVELOPMENT TELECOMMUNICATIONS & INFORMATICS PULP & PAPER & NON-LUXURY CONSUMER PRODUCTS SUCH AS TEXTILES & PHARMACEUTICALS. WE EXPECT THAT OVER THE LONGER TERM THE COMPUTER & INFORMATICS SECTOR WILL SEE SUBSTANTIAL GROWTH IN SYRIA BASED UPON THE REQUIREMENTS FOR DATA NETWORK TECHNOLOGY IN BOTH THE PUBLIC & PRIVATE SECTOR. SYRIAN DEVELOPMENT OF HYDROCARBON RESOURCES PARTICULARLY NATURAL GAS OFFERS LARGE SCOPE FOR CANADIAN PRODUCTS & SERVICES WITH MUCH HANGING UPON A FAVOURABLE RESOLUTION IN RESPECT OF CANADIAN PARTICIPATION IN THE THAYYEM GAS TREATMENT PROJECT. SHOULD THIS MOVE AHEAD WITH A CDN CONTRACTOR SUBSTANTIVE CDN PARTICIPATION IN SYRIAN GAS DEVELOPMENT WILL RESULT. IMPROVED ECONOMIC CIRCUMSTANCES & CREDIT WORTHINESS FOR SYRIA COULD ALSO SIGNAL POTENTIAL SALES OF CDN WHEAT & CEREAL GRAINS TO THE MARKET WHICH WERE A MAINSTAY OF BILATERAL TRADE IN THE PERIOD PRECEEDING THE MID-80S. PROCUREMENT BY SYRIAN STATE ENTERPRISES OF ESSENTIAL RAW MATERIALS SUCH AS FOOD PRODUCTS (INCLUDING OILSEEDS) CHEMICALS PAPER PRODUCTS & CONSTRUCTION MATERIALS WILL CONTINUE TO ATTRACT INTEREST FROM CDN TRADING ESTABLISHMENTS & THESE EFFORTS WILL BE SUPPORTED TO THE GREATEST EXTENT POSSIBLE BY POST PERSONNEL. THE DAMASCUS INT'L FAIR WILL