

RPTR1

## TRADE AND INVESTMENT PROMOTION PLANNING SYSTEM

## 89/90 TRADE AND ECONOMIC OVERVIEW

Mission: DAMASCUS

Country: SYRIA

COMMERCIAL COVERAGE OF SYRIA AND LEBANON WILL CONTINUE TO BE FOCUSED ON LONG TERM MARKET PROSPECTS FOR CANADIAN EXPORTERS, PENDING IMPROVED ECONOMIC CIRCUMSTANCES IN BOTH COUNTRIES. REGULAR LIAISON VISITS BY AMMAN-BASED OFFICERS WILL BE DIRECTED AT EXPORT OPPORTUNITIES WITH IDENTIFIED SOURCES OF OFF-SHORE FINANCING, CONCENTRATING ON PRIVATE SECTOR IMPORTERS OF RAW MATERIALS AND INDUSTRIAL MACHINERY. PROCUREMENT BY GOVERNMENT AGENCIES WILL CONTINUE TO BE CHARACTERIZED BY SHORTAGES OF FOREIGN EXCHANGE AND ERRATIC PAYMENT RECORDS. WITH THE EXCEPTION OF OIL AND GAS DEVELOPMENT, WHERE SYRIAN FINANCING EXISTS AND IS SUPPORTED BY MULTI-NATIONAL CAPITAL, LEGITIMATE EXPORT OPPORTUNITIES FOR CANADIAN EXPORTERS WILL BE FEW. WE WILL CONCENTRATE EFFORTS IN THE OIL AND GAS SECTOR WITH AL-FURAT PETROLEUM CO., THE SYRIAN-SHELL JOINT VENTURE OPERATING IN THE COUNTRY, IN THE HOPE THAT CANADIAN CONSULTANTS AND SUPPLIERS WILL BE QUALIFIED AS BIDDERS FOR FUTURE EQUIPMENT AND SERVICE REQUIREMENTS. SECTORS OF CONCENTRATION IN ADDITION TO OIL AND GAS WILL REMAIN AS IN PREVIOUS YEARS: AGRICULTURE, PULP AND PAPER, COMMUNICATIONS AND INFORMATICS, AND NON-LUXURY CONSUMER PRODUCTS. PRIVATE SECTOR IMPORTERS AND ENTREPRENEURS ACTIVE IN THESE FIELDS WILL BE OUR PRINCIPAL TARGETS. RENEWED EFFORTS WILL BE DIRECTED AT ALEPPO-BASED BUYERS WHO TRADITIONALLY SOURCE THEIR REQUIREMENTS FROM EUROPEAN SOURCES OF SUPPLY. IN THE ABSENCE OF FDC CREDIT COVERAGE, CIDA INDUSTRIAL COOPERATION SUPPORT AND VIABLE MULTI-LATERAL (EG. WORLD BANK) FINANCING, OUR ACTIVITIES WILL NEED TO BE DIRECTED AT PROJECTS AND/OR SALES PROSPECTS WHERE CLEARLY DEFINED FUNDING MECHANISMS EXIST. PROMOTIONAL PROJECTS SUCH AS MISSIONS AND INCOMING BUYER PROGRAMS WILL BE FOCUSED ON SPECIFIC SECTORS OF CONCENTRATION, WITH CAREFUL SELECTION OF CANADIAN AND LOCAL PARTICIPANTS. THE DAMASCUS INTERNATIONAL FAIR REMAINS OUR MOST IMPORTANT TRADE AND INDUSTRIAL DEVELOPMENT TOOL FOR SYRIA, AND SHOULD BE CONTINUED AS A MEANS OF EXPANDING THE BASE OF POTENTIAL CLIENTS FOR CANADIAN PRODUCTS, PARTICULARLY IN THE PRIVATE SECTOR. DESPITE ECONOMIC DIFFICULTIES, SYRIA AND LEBANON REMAIN IMPORTANT POTENTIAL MARKETS FOR CANADA. AS LATE AS 1982, OUR EXPORTS TO EACH DESTINATION EXCEEDED CAN DLR\$ 100 MILLION PER ANNUM. LOCAL INFRASTRUCTURE, WHILE WORKING AT SUBSTANTIAL UNDERCAPACITY, REMAINS INTACT AND STILL REQUIRE UPGRADING AND/OR MODIFICATION IN THE YEARS AHEAD. WHEAT EXPORTS, ONCE THE MAINSTAY OF CANADIAN ACTIVITY IN THE TERRITORY, REMAIN A LONGER TERM PROSPECT CONTINGENT ON THE AVAILABILITY OF SUPPLY AND BUYER CREDIT WORTHINESS. WE WILL CONTINUE TO DEMONSTRATE OUR INTEREST IN THESE MARKETS TO LOCAL INTERLOCUTORS THROUGH MODEST PROMOTIONAL EFFORTS AND EXPECT THAT IMPROVED ECONOMIC CONDITIONS WILL BRING INCREMENTAL SALES PROSPECTS FOR CANADIAN SUPPLIERS.