

Wheels turn rather slowly especially with the public sector, so patience, persistence and a long term approach are needed, but once a first deal is secured, the chances of future business increase substantially.

For the public sector, once a contract is negotiated and signed, the contract is not valid until a letter of credit (L\C) is opened. This requires, for major purchases, that the Cabinet instruct the Commercial Bank of Syria to open the L\C, which can take some months, or even longer, depending on the availability of foreign exchange and the priority assigned the purchase.

Local Syrian agents or consultants are a must in order to make things easier, but there are problems still unresolved in the Syrian rules which create a somewhat strange situation. By law, the use of non-registered agents is not permitted in dealing with the public sector. However, an agent or representative with good contacts with the buyer is a necessity for ensuring that your bid is considered by the buying organization. Most Syrian businessmen do not wish to register their agency or status of representation with the government as this restricts their ability to vary their commissions or fees. Normally only those who will be importing on their own will register. Thus most Syrian companies wishing to represent Canadian companies will ask for an unofficial arrangement. This has not presented difficulties for Canadian companies to date. There are currently recommended changes to this situation in Cabinet, with these changes expected in 1996.

Despite the upbeat introduction, import licensing can still create problems for Canadian exporters. For example, most construction materials cannot be imported, automobiles are still basically controlled by central government purchasing, used or previously owned machinery is banned for the public sector. But this can change at any time, and you should query the embassy before planning a trip.

ECONOMIC INDICATORS	<u>1994</u>	<u>1995</u>
GDP at market price SYP billion	550.6	699.0
Real GDP Growth %	5.2	5.8
Merchandise exports fob \$m	3,555	4,000
Merchandise imports fob \$m	4,570	5,000
Exchange rate	SYP 42 : US\$ 1	
Inflation Rate (1995 est)	20%	