

JORDAN

(including Syria and Lebanon)

INTRODUCTION

The Middle East region as a whole has always offered enormous, if largely unexploited, potential for Canadian exporters. The three countries covered by the Embassy in Amman -- Jordan, Syria and Lebanon -- are relatively minor trading partners even in a regional context and are often therefore ignored by exporters. While there is no denying the apparently huge potential in several neighbouring countries, the opportunities in our territory nevertheless present promising markets for committed exporters. They have extremely similar import requirements, a population base of over 20 million and are, for the most part, competitive cash markets, comparable to others in the area. It stands to reason that Canada's success in exporting grains and forestry products to Saudi Arabia or oil equipment and livestock to Iran, can be matched elsewhere in the region.

OVERVIEW

The political and economic consequences of the Gulf War and its aftermath differed substantially in each of the three countries. These market disruptions all present new possibilities and should encourage interest in our territory. Exporters must, however, act quickly to consolidate representation and partners in order to capitalize on the wide-ranging opportunities for both goods and services.

Jordan, often said to have every characteristic of an oil economy except the oil, was the single-most effected country by the Gulf Crisis. While the aftershocks of the war will continue for the foreseeable future, the country is following well-defined restructuring programs based on IMF defined guidelines. Dire predictions of political instability and economic collapse failed to materialize, in part due to over one billion dollars in international aid and the cash injected by hundreds of thousands of returnees from Kuwait. Canada's aid program is also growing rapidly and helped boost exports to record levels in 1991 while exports in the first 9 months of 1992 had declined sharply to \$4.4 million. The "overnight" increase in population will require an estimated Cdn \$5.0 billion to alleviate, creating increased consumer demand and requirements for construction material and industrial equipment. Normalization in Iraq should eventually boost Jordanian fortunes as the Kingdom is a conduit for Baghdad's huge import requirements. Sectoral priorities for goods and services include telecommunications, agro-industry, mining, transport, industrial machinery and construction.

For Syria, the crisis came at a time when the economy was coming out of a prolonged slump, activated by large oil discoveries in the last 5 years. Arab aid of over Cdn \$3