



## Basic data

- A population of 19.8 million inhabitants, 37 % under 15 years (average age: 21)
- GDP per capita in 2008: \$US 2,108 (\$US 4,647 in purchasing power parity)
- Main cities: Damascus (2.5 million inhabitants), Aleppo (2.6 million), Homs (798,000)
- Currency: Syrian pound (0.14 €)

## Syria in 2009, means

- A privileged gateway to the markets of the Gulf and the traditional Iraqi hinterland on which Syria can count once again
- 2008 will have been the year of daring for Syria, as much on the political as on the economic level. While Damascus is on the point of sending its first ambassador to Beirut, the country has just inaugurated a first Stock Exchange
- Blessed with a remarkable historical and cultural heritage (Damascus was consecrated Arab Capital of Culture for UNESCO in 2008), Syria wants to make tourism a great priority. In 2018, the sector should employ just under 2 million Syrians (against 1.1 million today), and generate 9.6 billion dollars of revenue, according to the World Tourism Organisation
- An economy which is gradually opening up and a government determined to undertake courageous reforms
- Competitive incentives for foreigners, thanks to the 2006 investment law and the country's 7 tax free areas: at Damascus, Aleppo, Adra, on the Jordanian frontier at Dar'a, at the Damascus international airport, and the ports of Latakia and Tartus

Sources: MAE, Coface, UbiFrance, FMI, CIA World Fact Book, ANIMA-MIPO

Date : 10/6/2009 - Production : Soraya Assi, Validation : Samir Abdelkrim, ANIMA

## Useful links

- Syrian Federation of Chambers of Commerce [www.fedcommsyr.org](http://www.fedcommsyr.org)
- Ministry of Finance [www.syrecon.org](http://www.syrecon.org)
- Investment Promotion Agency [www.investinsyria.org](http://www.investinsyria.org)
- Syrian Enterprise and Business Centre [www.sebcsyria.com](http://www.sebcsyria.com)
- ANIMA, Invest in the Mediterranean [www.anima.coop](http://www.anima.coop)
- Marseille Provence Chamber of Commerce and Industry [www.marseille-provence.cci.fr](http://www.marseille-provence.cci.fr)
- French Economic Mission in Syria [www.missioneco.org/Syrie](http://www.missioneco.org/Syrie)
- The Syria Report [www.syria-report.com](http://www.syria-report.com)
- Econostrum [www.econostrum.info](http://www.econostrum.info)



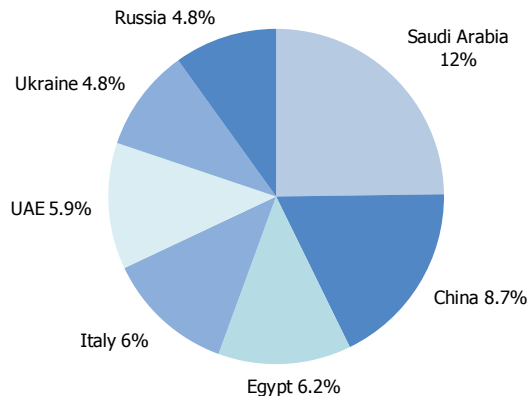
ANIMA Investment Network  
Together for a competitive Mediterranean for the

INVEST  
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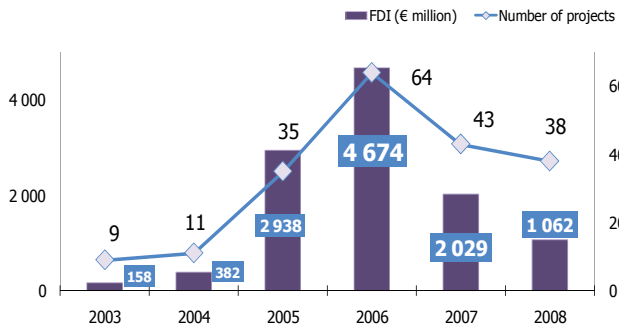
## Main trading countries

Imports 2008 : US\$14,3 billion  
(Source : CIA World Fact Book, Coface)



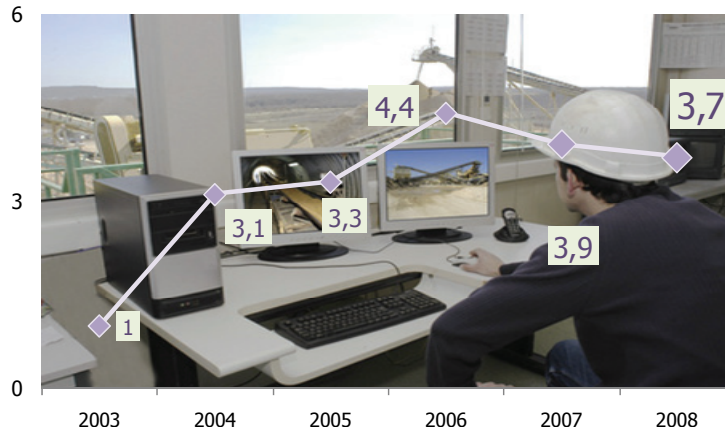
## Foreign investors appreciate the reforms

(Source: ANIMA-MIPO)



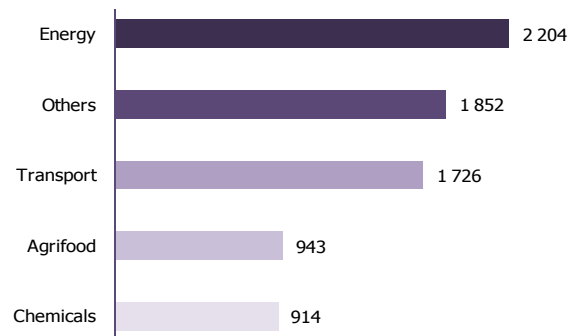
## Economic growth -stimulated by foreign investments

Growth of GDP in % (Source: Coface)



## Main imports per sector in 2006

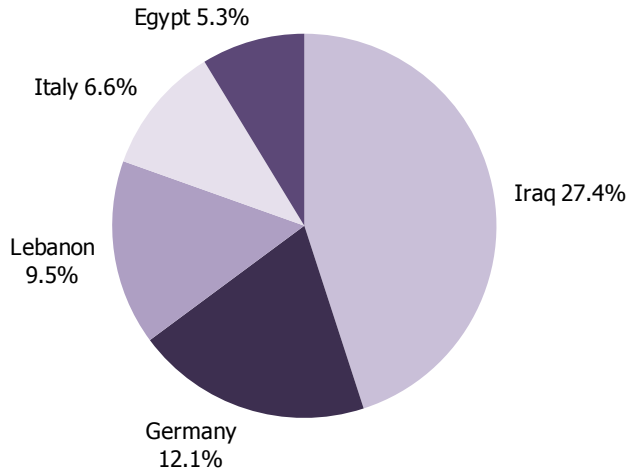
In million euros (Source : Eurostat)



## Exports: main partners of Syria

Exports 2007 : US\$ 10.5 billion

(Source : CIA World Fact Book)



## Telecoms: still a strong margin for progression

One Syrian in 3 uses a mobile telephone (6 million users in 2007, +30% compared with 2006). The 2 existing networks, SyriaTel and Areeba, are managed by the private sector. A 3rd licence will soon be offered. As regards the landlines, they remains a monopoly of the Syrian Telecommunication Establishment (STE), which is planning to invest \$US 1.5 billion over 5 years to extend and moderniser its network.

## Boom in energy and building materials

### Energy, the main destination of foreign investment

The regular reduction in national production of hydrocarbons and the end of the surplus in electricity production have led the government to seek the support of foreign operators to renovate existing installations and explore new fields. Downstream, several refinery projects are in progress. Some projects announced in 2008:

- Hayan Petroleum, a 50-50 joint venture between the Croatian INA and a Syrian public enterprise, Petro-Canada and the Russian Sroytransgaz are all building gas treatment plants for the fields they are exploiting;
- China National Petroleum Corp has launched a project to build a refinery for \$US 1 billion at Deir Ezzor, in a JV with the Syrian government;
- The Iranian engineering group Mapna is to build a 450 megawatt electric power station in the North of the country, while 1000 megawatts should be added each year to contend with national demand which is growing by 10% per annum.

### Explosion in the demand for building materials

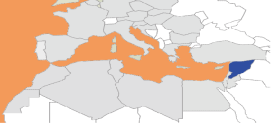
The sector has been bubbling since 2006, a year during which 10 projects for new cement plants were announced:

- In June 2008, the French group Lafarge carried off two contracts worth a total of 1.2 billion dollars for the construction of two cement plants;
- Following that, Ciments Français, a subsidiary of Italcementi, announced that it had acquired a 12.5% share in the new Al Badia Cement cement plant, a Syrian company dominated by the Saudi group A.K Al-Muhaidib & Sons.

### Automobile industry: assemble locally to be able to sell better

Given the trade barriers which protect the Syrian market, certain automobile constructors, originating from emerging economies, have chosen to install assembly lines here, often in the form of a JV:

- Iran-based Saipa Corporation, Sicico and Iran Khodro in 2007, 2006 and 2005 respectively;
- The South Korean KIA Motors in 2005;
- The Malaysian Proton in 2003.



## Business: all the opportunities!

- Transport infrastructure: the motorway network should double in the next 5 years (1,200 km to be built), modernisation projects for the 2 ports of Latakia and Tartous and delegation of their management to private operators in the form of a BOT contract, modernisation and extension of the country's 5 airports (Qamishli, Latakia, Deir-ez-Zor, Aleppo, Homs)
- Agriculture & textile fibres: Syria is in the process of becoming a large organic cotton producer, with 27,000 hectares (67,500 acres) already planted and a harvest of 67,500 tonnes in 2007
- Hypermarkets: the middle classes in the large cities are beginning to represent a viable clientele which is attracting Western-style shopping centres (projects from the Emirates chain Spinneys, from Majid Al Futtaim in Damascus, etc.)

## Some FDI announced in 2008

- Tourism: the Russian tour operator Intourist is joining the Syrian Sina- ra in the Jol Jammal tourist in Latakia; Mövenpick has signed a management contract with the Syrian Toumech for the Mövenpick Hotel Damascus which is to open in 2010, while InterContinental will manage a hotel complex in the course of construction by the Koweiti M.A. Kharafi Group at Damascus
- The Emirates financial services group, Daman Securities, is associating with the Syrian Cham to create in JV a brokerage company dedicated to the new stock exchange
- Agro-food: the American Cargill and the Brazilian Cristalsev have just inaugurated a sugar refinery, an investment of 80 million US dollars with local partners
- Metallurgy: the Egyptian El Sewedy Cables has announced investments of 600 million dollars in its Syrian plants in 2008-2009
- Banking and insurance: Dubai Islamic Insurance & Reinsurance Co., an insurance company better known under the name AMAN, in June 2008 received a licence enabling it to open a Syrian subsidiary

## French investments in Syria (Source: ANIMA-MIPO)

- In 2007, French group Le Duff signed a franchise contract for 5 years with the aim of opening 25 restaurants in the country
- Banque Bemo Saudi Fransi, affiliated to the Crédit Agricole, opened a new branch in Damascus in 2007, taking their number in the Syrian capital to 15
- The French industrialists have made consequential productive local investments in certain sectors such as tobacco (Altadis-Seita), hydrocarbons (Total), or even agro-foods (cheese producer Bel), etc.

## Banking-insurance: soon a new wave of FDI?

Encouraged by the success encountered with the opening of the financial sector to private initiative and foreign investment in 2001, the government is preparing a reform to enable the share of the capital in a Syrian bank held by a foreign company to increase from the current level of 49% to 60%

## Significant FDI projects since 2003 Source: [www.anima.coop](http://www.anima.coop)

Year	Company	Amount	Project
2008	Emaar Properties (UAE)	US\$32,9 m	50-50 JV with local Cham Holding to build residential projects
2008	Lafarge / Orascom Cement (France)	US\$760 m	Creation of a greenfield cement plant near Damascus
2007	Al Bukhary (Malaysia)	US\$ 5.6 bn	Construction of a refinery through a JV with foreign partners
2006	Bin Laden (Saudi Arabia)	US\$ 700 m	Various investments to the sectors of agrifood and industry
2006	Majid Al Futtaim (UAE)	US\$ 1 bn	Touristic project 'Damascus Festival City'
2006	Noor (Kuwait)	US\$ 1.5 bn	Creation of a refinery in Deir Ez Zor
2005	Transgas Oil Russian	US\$ 2 bn	Creation of a refinery
2005	Northwest Oil Group (Russia)	US\$ 2.7 bn	Creation of a petrochemical plant
2005	Emaar (UAE)	US\$ 3.4 bn	Launch of the 'Damascus Hill' project

<sup>1</sup> FDI= Foreign Direct Investment

