



ANIMA

Réseau Euroméditerranéen d'Agences de Promotion des Investissements  
Euromediterranean Network of Investment Promotion Agencies



Report on  
The ANIMA Short-Term Technical Assistance Mission  
Building the New Syrian Investment Agency (SIA)

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## References

ANIMA is a European project devoted to helping 10 Southern Mediterranean and Middle Eastern countries partners of the EU ("MEDA" countries: Algeria, Palestinian Authority, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey), plus Cyprus and Malta (now EU members), to acquire strategies and tools to attract foreign investments. The Invest in France Agency (AFII), assisted by the ICE (Italy) and the Direction des Investissements (Morocco), is running this project, which is financed by the European Union, MEDA Programme. The City of Marseille, the Region Provence-Alpes-Côte d'Azur and the Invest in France Agency also contributed to the publication of this study.

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## Acronyms

- ANIMA: Euro-Mediterranean Network of Investment Promotion Agencies
- BITs: Bilateral Investment Treaties for protection and encouragement of investment and for avoidance of double taxation
- BSIs: Support Business Institutions
- CBS: Central Bureau of Statistics / Central Bank of Syria (where applicable)
- ESCWA: United Nations Economic & Social Commission for western Asia
- EU: European Union
- FDI: Foreign Direct Investment
- FIAS: Foreign Investment Advisory Services
- GAFTA: Greater Arab Free Trade Area
- ISMF: Institutional & Sector Modernization facility (EU programme in Syria)
- IPA: Investment Promotion Agency
- IP: Investment Promotion
- MIPO: Mediterranean Investment Project Observatory (ANIMA)
- OSS: One Stop Shop
- PPPs: Private-Public Partnerships
- SEBC: Syrian European Business Center (EU programme in Syria)
- SIA: Syrian Investment Agency
- SPC: State Planning Commission
- ToR: Terms of Reference (specifications of a project or programme)
- UNDP: United Nations Development Programme
- WTO: World Trade Organization



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## 1. Summary

Following the recent creation of an Investment Promotion Agency (SIA) in Syria, ANIMA proposed to the Syrian authorities:

- to make a quick update of the FDI (Foreign Direct Investment) situation in the country;
- to have a look at the new institutional and legal scheme (laws n° 8 and 9, cf. annexes);
- and to provide advice on a possible in-depth technical assistance in order to transform the existing "Investment Bureau" (IB) into a fully professional and equipped Syrian Investment Agency (SIA).

This short mission (10 days, plus report writing), realised by Bénédict de Saint-Laurent (ANIMA team, Marseille), follows another short term mission performed by an ANIMA consultant (Mona Bseiso) in Syria during Summer 2005. This previous 15-day mission attempted to assess the overall country situation regarding FDI, the investment climate, the existing institutional organisation for investment and the *feasibility of creating an autonomous IPA with a clear mandate on investment promotion activities*. It took place at the time of a second ANIMA seminar in Syria (June 2005, after June 2004), where the benefits and the best practices of efficient investment promotion were stressed in presence of all stakeholders and –this was important- of other Mediterranean IPAs.

In a way, the new mission is a follow-up –ANIMA is consistently supporting the progress of 'colleagues-IPAs' in the region and trying to reinforce their modernisation process. However, it should be noted that ANIMA has nothing specific to sell in Syria<sup>1</sup> and would be happy to find other parties interested in supporting the development of SIA.

The mission methodology was based on *field interviews*, with selected key stakeholders in the Syrian investment area, including donors (EU, EIB, ISMF, SEBC, UNDP, French Trade Commission), private sector (industrialists, consulting firms, Chamber of Industry), Government (Investment Bureau, directorates of investment or private sector in relevant Ministries, Central Bank of Syria, office of the Deputy Prime Minister for Economic Affairs, Central Statistics Bureau), as well as *desk reviews* of available documents, guides, periodicals, statistics and surveys related to FDI in Syria.

### 1.1. Main findings

The following conclusions appear as a result of the mission:

- Syria has made a *major step forward* by promulgating laws n° 8 and 9 about investment, by deciding the creation of an investment authority (SIA) and by appointing its Chairman, Mr Ghassan El Habache, Deputy Minister of Economy and Trade.
- The new legislation includes very good principles (repatriation of dividends, exemptions in fiscal law via lower tax rates, investment facilitation via one-stop shop etc.) and also some limitations (several major sectors, such as tourism, real estate and energy are not treated by SIA, an important negative list for FDI still exists, there is a limited private sector involvement in the new institutions<sup>2</sup> and the SIA means and powers compared to Ministries are still insufficient).

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<sup>1</sup> The ANIMA programme will come to an end in July 2007. It should be continued via another EU programme (Medinvest). However the scope will probably stay on multilateral co-operation between IPAs, rather than on bilateral assistance. A common co-operation platform has been created by 20 organisations from various Euromed countries in order to facilitate dialogue and exchanges between IPAs (ANIMA Network Association). See annexes 8 to 11.

<sup>2</sup> Only three seats for CCI and federations in the SIA board and no representation of the private sector in the Supreme Investment Council.



- The new investment scheme is still rather theoretical. It represents a *shell*, probably adapted to the best country political acceptance for now. The main issue now is to define a content for this shell, in order to move forward and implement SIA, by making the best possible use of the progress made. Otherwise, it could take months or years before a full IPA<sup>3</sup> is implemented. In the meantime, the beneficiaries of statu quo will reinforce their position and reform could become more difficult.
- The consultant conclusion is therefore that, without rapid and significant external input, the tandem constituted by the SIA Chairman and the Investment Bureau (IB) will experience difficulties in *fully exploiting the legal breakthrough*. The FDI reform needs to be accompanied by a technical assistance programme with ambitious objectives. This report provides information about the *possible key content* of such a programme. It seems that the European Commission could allocate some means to the Syrian authorities in this field, provided that a clear demand exists on the Syrian side. The timing of the reform offers a great opportunity for negotiating a component included in the EU-Syria action plan. A co-operation with the UNDP team assisting IB (in basic fields such as language training and computer literacy, with some extensions on investment promotion and legal support) seems also possible, with complements on FDI-focused assistance (SIA empowerment strategy, Syria's image building and events, investment intelligence, international networking etc.).
- As the main investor counterpart, the existing Investment Bureau, despite the efforts of its management and staff, experiences serious gaps in communication (language, use of IT and internet, feedback), co-ordination (in a context where several Ministries are retaining control over certain sectors or procedures), approaches and methodologies (from data bases to business initiatives). So far, the IB is mainly a registration office for investors and the other IPA activities (promotion, image building, knowledge of the FDI market, investment generation etc.) are just experiencing a modest start. Some other functions, for instance policy advocacy (be the voice of business in the dialogue with Government), are very far from current practices and culture.
- To summarise, the changes are real but need to be implemented and reinforced. Foreign and private investment is now clearly encouraged. Instead of being essentially controlled, businesses will see their life simplified. However, the general attitude is still that of a public administration 'granting' authorisations (and sometimes tax exemptions) to those investors who take the risk to come in. Further progress is needed in terms of mindsets: 1. consider that the investor is a *client*, a *customer* and *must be served*; 2. change the perspective by understanding that *FDI is now a world market*, that it is not the investor who receives a privilege when he gets a licence to invest in Syria (but the contrary: Syria is privileged...) and 3. understand that (at best) passive investment promotion and FDI facilitation must be complemented by a *pro-active search for targets* (often abroad) fitted to *Syria competitive strengths*. Syria has made a major step forward, but more steps are necessary, as soon as possible, to close the gap with neighbouring countries, which are rapidly progressing competitors.

## 1.2. The Syrian context and the need for FDI

The specific situation of Syria -decline in oil revenues, increase in social needs, 46% of population under 18- makes the country economic equation very challenging for future years. Due to declining exports (oil field depletion) and the rise in imports, Syrian trade balance is now registering deficits, compared to surpluses in the past. According to the 10th Economic and Social Development Plan

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<sup>3</sup> See below what are the main functions of a 'full IPA'.



(2006-2010), Syria's economy will need 1,800 billion Syrian pounds (US\$ 34 billion) in investments over the next five years to reach a GDP growth of 7 percent in 2010.

FDI is part of the solution. Though not a panacea, it includes the repatriation of Syrian assets stored abroad, the arrival of foreign operators in sectors where their capital and management expertise is needed (State-owned companies, infrastructure, financial market), the heavy involvement of Gulf investors looking for opportunities and diversification and, last but not least, the numerous projects promoted by SMEs –probably the best chance to create the millions of jobs that Syria needs. Beyond job creation and capital injection, FDI is a *formidable driver for change* (reforms, introduction of new standards and methods, enterprise-friendly attitude).

In this context, the creation of SIA is really strategic for the country and must be a success story:

- Syria has a *great and untapped industrial, service and agriculture potential for investors*;
- The development of *export-oriented FDI seems possible*, provided that confidence is established and that the basic investor requirements are fulfilled (see below some conditions and bottlenecks) ;
- A *strong interface body* with its dual role –explaining the new Syria to investors, explaining investors' needs to Government – will be *key for the country industrial transformation* in future years.

### 1.3. The institutions in charge of FDI in Syria

#### 1.3.1. The existing scheme

The investment activities are carried out by several governmental entities:

- In terms of industrial priorities and national economic strategy, most powers are concentrated in the hands of the highest level of Government: Head of State, Prime Minister, State Planning Commission. The latter establishes, in connection with the concerned Ministries, the list of the main possible investment projects ('investment map') –such power station, such road, such sugar plant etc.-, based on a centralised definition of the country needs;
- A Supreme Council for Investment chaired by the Prime Minister (PM) is supposed to examine and formally authorise all investments. The directorates of investment in relevant ministries (economy, agriculture, transport, supplies, industry etc.) study the project, assess its foreign content (at least in the past legislation) and provide their own views on the project. Positioned under the Prime Minister (Council of Ministers), the *Investment Bureau* (IB) receives these elements and prepares the PM decision.
- The IB gathers 25 people (but only 10 officers) and is under-staffed, with current organisational structure composed of one layer departments in areas relevant to economic affairs, legal affairs, technical affairs, one-stop-shop and information & technology. The IB's main tasks are licensing and applying the national policy (register investment requests referred to the Supreme Council for Investment, co-ordinate with the various departments keep record of foreign capital brought from abroad, receive and investigate complaints from investors etc.). IB has limited role in conducting investment promotion and services as known in most IPAs;
- Moreover, besides the IB -a kind of 'generalist' investment office-, there are several *other investment bodies for specific sectors*, for instance in the Ministries of Tourism or Energy, or for banks or real estate (and of course defence-related activities).
- In addition to the IB and the ministerial directorates of investment, all located in Damascus, *provincial local investment committees* are headed by the Governor, his deputy and 6 directors of economy, agriculture, transport, supplies, industry, electricity in each province.



This rather fragmented organisation, with -according to investors- frequent duplication and interruptions, should be streamlined and simplified in the new system under SIA, even though most ministries are trying to keep some grip on the decision process. The Syrian Government is embarking on structural reforms targeting a sound growth in local economic value added. Syria looks increasingly committed to renovating its legal and fiscal environment, reforming and computerising the administration, upgrading the customs regime and opening-up the domestic banking sector. Attracting more FDI is part of the new package and will inevitably change the institutional landscape.

### 1.3.2. FDI development, at the core of policy changes in Syria

If Syria wants to play the FDI game, this means the *acceptance of international rules*, consistent efforts towards the *opening of the economy* and a *systematic search for competitiveness* (cost reduction etc.). Some 'anti-FDI' bottlenecks still exist in Syria, for instance:

- A poor internet service (when this is a must for any international activity);
- Freight logistics (too expensive for the Syrian leg, see figure 1 below);
- Concentration of decisions and activities in Damascus (lack of decentralisation, see figure 1);
- Limited ownership of companies by foreign investors in some sectors (if they are to take risks, investors want full control);
- The lack of flexibility in labour laws (encouraging for instance companies to hire non-declared workers) and the lack of highly-skilled staff (wanted by most foreign companies);
- The lack of a mature financial market (most banks are lending against collateral securities and not under the true quality of the project; this makes a problem for SMEs and start-ups, especially in the service field; several products such as the forward cover for currency exchange do not exist in Syria).

It will be the task of SIA to address these issues, not directly –since it is not the mandate of the agency-, but by *sending warnings to the authorities* and by becoming *central for business development* in Syria.

*Figure 1. An example of links between FDI development and global Government strategy: export of aluminium products to Europe*

Syria is well positioned to manufacture aluminium components destined for the EU market. Close to cheap energy resources, aluminium smelters in the Gulf (Kuwait, Dubai) are keen to supply Syria at a competitive price. In Syria, there is a good industrial know-how in this field and labour costs are comparatively low. The country could be a major supplier of windows, doors, verandas, aluminium profilés for close EU clients. However, two major drawbacks are limiting exports to Europe:

- All activities are located around Damascus (because of a centralised decision system for all administrative procedures), when they would be more competitive in the port vicinity;
- In the transit cost of a container to Europe (around US\$750), US\$300 are related to the Syrian leg (trucking from Damascus to Lattaquie and port transit), which is probably the double of the acceptable charge - provided that a fully competitive system exists.

The solutions are to open the port, road and railway systems (concession for container terminal? Trackage rights paid by private freight operators on the rail system?), to develop volumes and productivity (trucking companies) and to grant more autonomy in all domains to local or provincial authorities.

Private sector involvement in the transport sector would bring both the needed capital injection for infrastructure and new management capabilities. In some cases, it is a condition for developing export-oriented FDI.

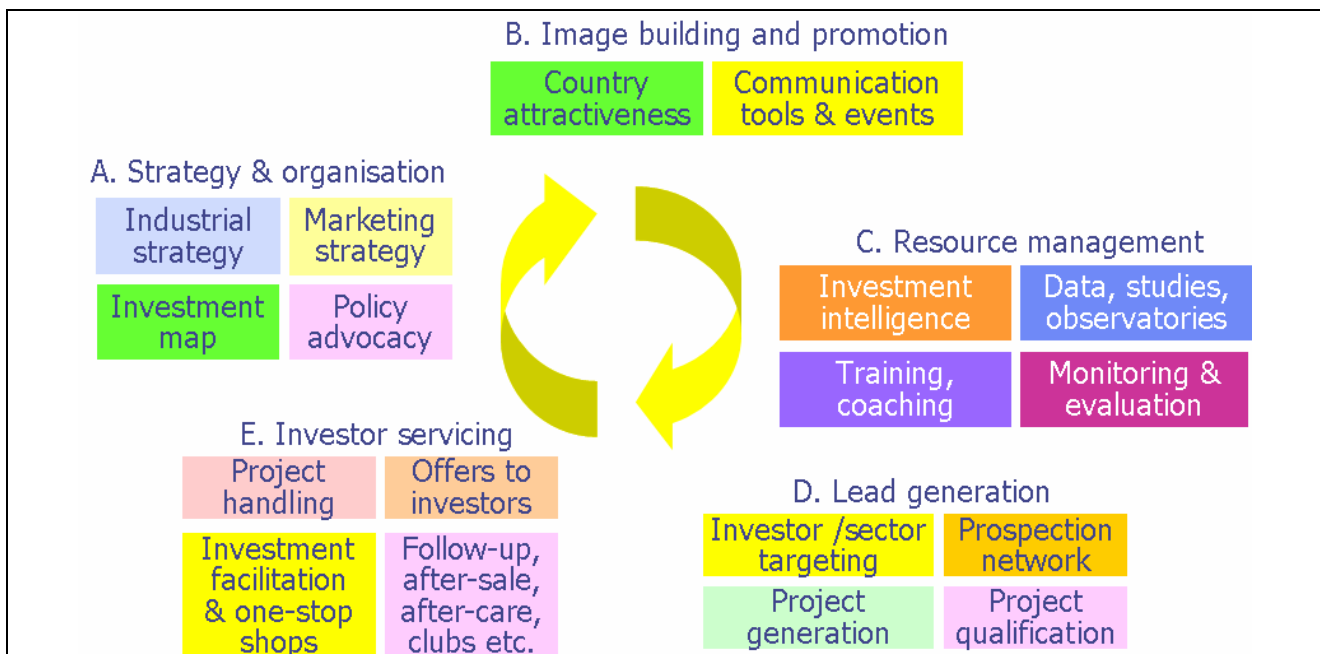


The difficulty in achieving all these combined changes should not be underestimated. The whole Syrian society is facing complex cultural and organisational changes. Technically, the solutions seem simple, for instance, authorising new internet service providers (ISP) and creating competition regarding web services. Practically, this implies difficult political choices, from choosing the groups who will benefit from this new opening to arbitrating between national security concerns and freedom of expression. Implementing these business environment changes while keeping the delicate balance between conflicting issues and stakeholders is a major challenge for Syria.

### 1.3.3. The main IPA functions in general

The following diagram (Figure 2) presents the main roles of an efficient investment promotion agency, along the project cycle, in an *average country*. Of course, depending on the IPA perimeter and country organisation, this scheme may vary, but the main domains are more or less inevitable.

Figure 2. Main functions of an IPA (ANIMA)



### 1.3.4. The Syrian response so far

In the current Syrian organisation, these functions are operated by various bodies:

- The *strategy and organisation domain* is more or less reserved to the State Planning Commission and to various Ministries (Economy, Industry, Agriculture etc.); concerning FDI-oriented activities, a dialogue with the new SIA, taking into account the investor requests or proposals, would be helpful; for instance, the investment map (list of priority projects per sector and area) cannot only proceed from a top-down approach, but should also result from market surveys, business analysis and financing opportunities (eg. sectors in which Gulf investors would be interested, out of banks, insurance, real estate and tourism);
- The *image building and promotion domain* is weak in Syria, except maybe for tourism and a few events; the country suffers from a significant gap in terms of economic and industrial image; it is often seen as relatively unsafe, unpredictable and business adverse (this is not the reality, but the perception - and it is necessary to change this perception); the potential of its industry is relatively ignored abroad;



- The *resource management domain* is almost inexistent. Some data are collected by the Central Bank and the Central Bureau of Statistics, but despite their quality, they do not generally correspond with the expectations of investors, who want operational data (costs, revenues, performances, management information or 'content') more than administrative descriptions (indicators of number of units, staff etc. or 'perimeter'). Some foreign trade commissions (eg. France<sup>4</sup>, Canada, UK, Germany), as well as SEBC (sector analyses) are collecting interesting data. However a true *Syrian data room* still has to be implemented. The FDI records are not satisfactory<sup>5</sup>. The recent example of the FDI survey (questionnaire on FDI stock in each enterprise, associating UN-ESCWA, Central Bank and Ministries) shows disappointing results in terms of response rate and useable knowledge;
- The *lead generation domain* is not treated in Syria, where potential investors are not considered –only those knocking the door are welcomed;
- *Investor servicing* is the only major domain with some IPA experience in Syria (Investment Bureau, one-stop-shops, especially in three industrial areas). However, as explained above, the existing IB is mainly a registration office for investment projects. Project handling is limited to the granting of the needed permits, authorisations, signatures etc. As suggested in Figure 3 below, after-care is almost non existent in Syria.

Figure 3. The image of the aircraft (given by a foreign investor in Syria)

As a plane, this investor has *landed* in Syria. After having followed all the requested procedures, the aircraft has stopped on the runway. However, it seems almost abandoned... No information about taxiways and parking, no luggage handling, no passenger handling, poor condition of the airport. As most foreign investors, he has to learn by himself the complex and sometimes changing investment circuit in Syria. This investor would have appreciated some accompaniment in the country: appointment of a focal point or counterpart in the Syrian administration, enquiry about his remaining difficulties or his infrastructure needs, proposal to join an investor club, Q&A on an investor web site, follow-up meetings with other investors etc.

The importance of after-sale in the FDI business is shown by two figures:

- Re-investment accounts for 60% of FDI flows in Europe;
- It is 7 times more expensive to attract a new investor than to *sell* to an existing one.

## 1.4. Recommendations for more *FDI efficiency* in Syria

### 1.4.1. The proposed vision

By 2010, a fully professional team will constitute the Syrian IPA (SIA). SIA will be completely operational and recognised within and outside Syria as the reference FDI player in the country. SIA will not only operate the Syrian one-stop-shops (registration), but will also be in charge of:

- Image building (promotion of Syria as an industrial destination);
- Investment intelligence and tracking (generation of new investment projects, follow-up of leads);
- Investor targeting and servicing (before, after investment);
- Policy advocacy (be the voice of business vis-à-vis Government);

<sup>4</sup> With an excellent investor guide (Ubifrance 2006) - in French only.

<sup>5</sup> For instance, the IB registers the theoretical investment amount, frequently not (fully) achieved. Numerous projects have been registered at the end of 2006 by investors wanting to take benefit from the former tax exemptions.



- Country attractiveness (competitiveness scoreboard, simplification measures, incentives, benchmarks);
- Initiatives (eg. public policy favouring such sector or area, strategy of industrial clusters, diaspora entrepreneur programme).

#### 1.4.2. Strategic priorities

1. The first priority is to effectively *set-up SIA*: i.e. establish the existence of the agency (media, influence), develop its capacity, get results...;
2. Another (simultaneous) priority is to get *staff, equipment and financial means*. This implies to define the perimeter and structure of the agency (eg. should it develop an international network? And how?), then to define its material needs, from staffing to travel budget or IT;
3. Over time, a third priority will be to get *further SIA empowerment*: for instance, as in France, SIA chairman could become an *official Syrian Ambassador for Foreign Investment*; the Agency should become the sole investment body in Syria, at the crossroads of Ministries, Business, bodies such as SEBC, ISMF etc.

#### 1.4.3. Operational priorities

The first operational priorities are to:

1. Hire and train *high level staff*: define clear job profiles (written job descriptions, international level); focus on IT and language training (cf. UNDP); get some secondments;
2. Develop *SIA basic promotion tools*: logo and image, leaflets; web site; public relations and events;
3. Organise a network of domestic *and international* correspondents;
4. Develop rules, procedures, systems: project cycle (way investors and investments are treated); contact data base; data base for tracking investment leads; *basic file for offers to investors*.

ANIMA is convinced that these two sets of priorities (strategic, operational) can only be met (inter alia) via a *high level technical assistance programme*.

#### 1.4.4. Objectives of the assistance programme to SIA

The technical assistance programme (TAP) to SIA must be designed in order:

- To develop capacity building in the agency and transform the existing and newly recruited staff into FDI professionals in a mid-term period (mostly via on-the-job training and accompaniment);
- To assist SIA management in the most strategic, technical or critical stages: eg. policy advocacy (role of reformer, voice of business vis-à-vis the Government), territorial marketing, design of an information system for following up projects and leads, image building, international prospection scheme etc.;
- To develop and transfer methods, tools, know-how and best practices in all the activity fields of the agency, so that SIA is able to work autonomously on its own when the assistance is finished.

The TAP must include an international component: co-operation with neighbouring countries, benchmarking, business intelligence, investor tracking etc.

#### 1.4.5. Examples of assistance to MEDA IPAs

There are several possibilities for an external assistance, represented by examples taken in the region (see there plusses and minuses in figure 4):



- Tunisia (FIPA) has benefited (2002-2005) from a €4 million support programme funded by the EU but managed by the national investment agency. Consultants were made available for strategic tasks such as sectoral studies (choice of targets for Tunisia and collection of cost data for investors), resource management (develop a library of FDI success stories) or image building (FIPA web site). This programme, implying that FIPA has the capability to drive consultants, has been a success and FIPA is requesting a follow-up (FIPA has also received short-term support from ANIMA for a restructuring of the agency during Summer 2005) ;
- Turkey (GDFI, Under-Secretariat of Treasury) has benefited from a technical support by FIAS (a consultancy part of the World Bank Group) in order to prepare the legal work enabling the implementation of Invest in Turkey (2003-2004). After some hesitations, this agency is now being installed. In the meantime, a European twinning led by Germany has contributed to defining some of the missions of the agency (GDFI has also received short-term support from ANIMA for the development of the Invest in Turkey web site in late 2005) ;
- Finally, Egypt (GAFI) has a more comprehensive and versatile strategy. Numerous agencies were utilised to reshuffle the agency after July 2004. MIGA (World Bank Group) is undertaking a technical assistance programme focusing on the design, creation and implementation of an investment promotion unit within GAFI (60 persons from public and private sector), capable of competing internationally for FDI. GAFI has also benefited from ANIMA (6 seminars in the country, over 100 staffs trained abroad especially in commercial events, one secondment to the ANIMA team in Marseille, 3 technical assistance missions) and from the general co-operation between European and Mediterranean IPAs (promotion of the Mediterranean region as a whole, network linking EU and Mediterranean IPAs, transfer of know-how and exchange of experience, economic intelligence, project identification, regional studies, benchmarking). But GAFI is also using US-AID (special economic zones, leasing), UNIDO (SMEs), UNCTAD (2006 follow-up report on the implementation investment policy review realised for Egypt in 1999) and OECD FDI-MENA programme (investment climate).

*Figure 4. Advantages and drawbacks of the various technical assistance approaches*

- Twinning: pros: well fitted to current Syria situation; creates confidence (if well designed); cons: is a public-to-public assistance, when Syria would need private sector boost. It will not be easy to find a competent and available EU national agency. Regional agencies (in Spain, France, Italy) could however be an excellent choice;
- EU technical assistance programme: pros: theoretically allows for the mobilisation of the best consultant expertise (from EU or MEDA countries); can be a patchwork of various missions (web site, investment intelligence, training on promotion, launch of events etc.); cons: implies that SIA staffs master RFP and ToR procedures; a bit of a "mercenary" approach (not sure that all acquired knowledge will be transferred, sustainability?);
- Mix of various assistance programmes (as does Egypt): pros: efficient for big countries; provides more means and allows for comparisons between support bodies...; cons: co-ordination to be assured; some conflicts (the ANIMA team has worked for both GAFI/ Min. of Investment and ECS/ Ministry of Foreign Trade, who have very different rationales...).

#### 1.4.6. Priority content of the assistance programme

Should the Syrian authorities be interested, below is a preliminary definition of an assistance programme (figure 5). The various components or modules are connected and it seems important to assign sufficient ambitions to this strategic programme (cost in the range of 1.5 to 5 million Euros). However, there are of course many ways and scenarios to implement this assistance –to be customised to the specific Syrian situation- and to break down the various needs into modules.

*Figure 5. Content of a technical assistance programme for SIA*



- **Component 1. SIA full design for 2008-2010:** mandate, level of ambitions (eg. presence abroad or not), main functions, sectors treated, priorities, 3-year objectives
- **Component 2. Means implied by this “perimeter”:** approximate staffing (is it 25, 50, 200 staffs?), positioning (esp. vis-à-vis the Ministries and existing “powers”), legal adaptations, budget, 3-year workplan
- **Component 3. Board and management:** functioning of the SIA board (frequency of meetings, reporting, role etc.), involvement of private sector in an advisory board, coaching of the Chairman and the main executives of SIA, relationship with Government and Parliament, executive assistant etc.
- **Component 4. Organisation and staffing:** organisational chart, main positions (executives) and their profile, salaries and careers, recruitment procedures (eg. everybody from inside and outside can be candidate), staffing strategy (eg. use of secondment from private sector, from donors), incentives, training needs etc.
- **Component 5. Logistics:** offices, conference rooms, IT, cars, services such as travel agency (good logistics are a condition of success) etc.
- **Component 6. Strategic planning and resource management unit:** studies and research, barometers, industrial strategy and offer, investor targeting, reform agenda (policy advocacy), data collection, pre-investment library etc.
- **Component 7. Marketing and communication unit:** territorial marketing, selling points (argumentaires), newsletter, web site, brochures and promotional documents, public relations, creation of events (Syria Investment Summit), media relations etc.
- **Component 8. Investment search and investor servicing unit:** FDI projects, leads, network of sales agents (prospectors, eg. commercial attachés abroad), treatment of individual requests, after-care and re-investment, one-stop-shop etc.
- **Component 9. IT and admin. unit:** SIA information systems (extranet etc.), accountancy/ finance, human resources, legal aspects, facility management etc.
- **Component 10. Year 1-2-3 workplan:** for each of the components 3 to 9, objectives, expected deliverables, tools to be developed, key success conditions, partners, milestones.

#### 1.4.7. Next steps

The following additional recommendations are made :

- Try to benefit from the opportunity of a EU DG Relex mission in Damascus in May/June 2007 to request a type or another of technical assistance for SIA initial implementation stages;
- Participate as much as possible in the final ANIMA stages (final conference in Marseille 29 May-1<sup>st</sup> June 2007, a good opportunity to discuss with other MEDA IPAs about their experience in FDI co-operation and assistance; La Baule World Investment Conference, 27-29 June 2007, including a Mediterranean Forum where a Syrian Minister is welcomed for introducing the recent changes made in the country and some business opportunities);
- Join the ANIMA Network Association, in order to prepare with other countries a multilateral assistance programme following ANIMA (“MedInvest”). So far, all MEDA IPAs (except Lebanon, who has requested to join, Turkey, who is also considering its membership and Syria) are members, along with 10 EU IPAs and 2 international federations (WAIPA, UMCE). The requested membership of several new organisations (Portuguese IPA, Jordanian Ministry of Industry and Trade, CCI Milan etc.) will be examined during the next board meeting held on 31st May 2007 in Marseille.



## 2. Background information

### 2.1. Past ANIMA experience in Syria

The first ANIMA seminar in Syria was convened in June 2004 on the theme "Facilitating Inward Investment", co-organised with the Ministry of Industry. The seminar aimed to contribute to building a more efficient FDI strategy for Syria. The seminar witnessed large attendance. The deliberations focused on the following:

- Syria is ready for FDI take-off (moving from intentions to implementation in economic reforms); importance of AA with EU; need to enhance role of private sector; general acceptance of importance of FDI; preparing for challenges to come.
- Absolute need for improving investment climate (modernise industrial sector; coordinate industrial map with FDI strategy); lack of flexibility of the labor market; limited financing for SMEs and lack of a parallel guarantee schemes; difficulties in financial transactions especially for capital and dividend repatriation and awaiting still full convertibility of the SYP; need to create affordable and reliable ICT infrastructure; changing culture to accept openness and embrace change after 40 years of protective industrial policy; need for better law enforcement; improving mixed image of Syria given geopolitical and social factors.
- Need to develop FDI promotion instrument (improve institutional organizations); develop a more comprehensive FDI strategy beyond incentives and industrial zones to include adequate information, competitive commercial banks, dispute settlement systems etc; develop investment promotion activities; streamline coordination between various bodies in charge of FDI in Syria knowing that none could perform duties of full IPA; Syria must make better use of ANIMA support to benefit from its free training, pilot operations, joint events and road shows, transfer of know-how and emulation from EU agencies, benchmarking and dissemination of best practices.

The seminar defined the next steps to keep up the strong momentum developed in that seminar that included:

- Organisation of a second ANIMA seminar in Damascus;
- One or two ANIMA Technical Assistance (TA) missions in Syria ;
- More active participation of Syria in ANIMA activities (internships, secondments, workshops, road shows, Euro-Med activities like first investment summit in Marseille 2005, etc.).

Based on the above, the second ANIMA seminar was held in Damascus on June 2005 under the theme *Institutional Organisation for Investment Attraction*. Lectures and interactive discussions were given by international and regional experts on the following issues:

- Building a favorable business environment;
- Present the main techniques for an effective FDI promotion policy (image building, investor/sector targeting, aftercare, policy advocacy);
- Investment policies and institutional organisation;
- Main features of a coherent institutional framework for developing FDI;
- Impact of IPA institutional framework on its investment promotion capability;
- Economic development and FDI goals.

During the seminar, Syrian government officials gave useful presentations on the investment climate and opportunities in Syria, review of investment in the coming 10<sup>th</sup> 5-year plan, the investment of private sector in industry, IB experience, the reality of the industrial investment in



Syria under the Law 10/1991. The local participants confirmed that the seminar helped in many ways to improve their daily work, and would apply specific suggestions learnt during its sessions.

Immediately following the seminar (June-July 2007), a 15-day technical assistance mission performed by Ms Mona Bseiso (ANIMA) identified a set of weaknesses and challenges in Syrian FDI attraction organisation and suggested recommendations (Figure 6). The various steps taken by the Syrian authorities (cf. new laws in annexes 2 and 3) are in line with these recommendations.

*Figure 6. The 6 main recommendations of the first ANIMA technical assistance mission (June 2005)*

- **Establishing an Independent IPA.** "For FDI to serve economic development goals of the country, an independent Investment Promotion Agency (IPA) must be established. To be effective the IPA should have institutional links with the highest authority in the country (President, Prime Minister)."
- **Strengthen the role of the existing one-stop-shop (OSS) and re-define its mandate.** "The existing OSS that currently operates within the IB should be strengthened and restructured to create the *optimal service focal point*, such that acquired expertise could be replicated in the provinces, free trade areas, and industrial zones."
- **Develop quality training.** "The need is urgent and tremendous for capacity building in investment promotion core functions and marketing activities based on professional business-oriented skills, as well as developing English language, ICT usage and internet based resources" (...) To develop its country specific *mix* of investment promotion strategy and tools according to international standards, Syria will need in-depth capacity building and support programmes (EU-ANIMA, WAIPA, FIAS, UNCTAD, UNIDO, UNDP)."
- **Improve the overall institutional organisation of investment.** "There is an urgent need to streamline the existing intricate institutional framework for investment, characterized widely as being fragmented, rather complicated, and uncoordinated with a lot of duplication and loopholes."
- **Establish FDI country record.** "FDI data collection, dissemination, reporting, and analysis, is not properly established yet, with more organised coordination needed to support ongoing efforts in this regard. When FDI figures are prepared they should take into account the investment profile in all sectors and pertaining to all investment laws to reflect the real situation."
- **Participate actively in regional programmes.** "There is an urgent need for Syria to reinforce its participation in regional programmes such as ANIMA! In terms of FDI strategy and experience, Syria has been relatively isolated so far. The country is lacking of international exposure in this domain. The type of exchanges, testimonies, sharing of best practice realised in ANIMA may be extremely helpful in upgrading rapidly the capabilities of Syrian specialists."

## 2.2. The new investment law

After thirty years (1960-1991) of relative restrictions on private investment (both national and foreign), followed by fifteen years of relative opening (1991-2006), the Syrian authorities promulgated at the beginning of 2006 a new investment legislation (law n° 8, see annex 3) which:

- Allows foreign investors to acquire land (without limits) and to import, free of duties, all the needed equipment, provided this is destined for the sole purpose of the considered investment;
- Assures a better protection of the investment (against confiscation, nationalisation etc. ) and authorises the investors to repatriate the benefits on the capital introduced into the country via Syrian banks;
- Provides for an exemption of the customs taxes on the means of production, including the means of transport (however, the former tax exemptions will now be part of the annual fiscal law; depending on sectors and areas, companies could be taxed at 14% of their benefits, vs. 28% in the ordinary regime);

This new law (dated January 26, 2007) is replacing and complementing the Law n°10 of 1991, symbol of shy country opening conceded by President Hafez Al Assad in the 90s. It is accompanied



by a series of new provisions: new customs code, law creating an open Damas Stock Exchange on November 1, 2006, public-private partnerships and multiplication of private investment opportunities, starting with the bank and insurance sectors.

There are several other laws that still govern investment policies, licensing, and incentives in Syria, including:

- The Supreme Council of Investment Decree n° 198 for 1987.
- The Supreme Council of Investment Decree n° 186 for 1985.
- Decree n° 10 for 1986 for investments in agricultural projects.
- Law n° 21 of 1958;
- Law n° 47 of 1952 for small industries and handicrafts;
- Decree n° 103 of 1952 for financial exemptions of industrial enterprises;
- Ministry of Oil approval system for investments of oil companies.
- The Money & Credit Council law to license private banks.
- Ministry of Higher Education law to license private universities.
- Ministry of Education law to license private schools.
- The General Authority for Free Zones law for Investments in free areas.

The law n°10 of 1991 already made investment in Syria more attractive by offering some tax holidays, loosening restrictions on hard currency, reducing income taxes for share-holding companies, and incorporating additional sectorial and regional incentives. This law and its amendments provided for foreign ownership without limits or control in numerous sectors.

The terms of this law applied to economic and social development projects in the following fields: agriculture and agro-industry, private and joint (public-private) industrial projects, initiatives in the field of transport, and any other undertakings authorised by the Council within the limits of the law. Profits remained tax-free for five years and companies that exported over 50 percent of their production enjoyed a seven-year tax holiday. Capital goods and transport equipment needed for the project were already exempted from customs duty. The law was amended by decree n° 7, which granted foreign investors the right to own the land where their business was located (this is repeated in law n°8).

Almost all sectors of the economy are now open to foreign direct investment, except for power generation and distribution, air transport, port operations, bottling of water, telephony, and oil and gas production and refining. Power generation and cement factories were recently opened to private investors.

All legal forms of companies, from limited liability to holdings, are authorised. In matters of trade, Syrian authorities have over the past few years started to gradually open up the country, in particular by signing a number of free trade agreements with its neighbours.

The Arab free trade zone (GAFTA), in force since 2005, will give investors based in Syria tariff and customs free access to more than 14 other Arab countries. The pending EU association agreement will provide similar access to the EU market.

A "negative" list of prohibited imports is replacing compulsory export and import licenses. The exclusive right of commissioned agents to manage imports has come to an end. Customs duty on imported raw materials has been reduced and the harmonised NHS system introduced. Investors can open foreign currency accounts at the Commercial Bank of Syria. Decree 7 allows exporters to retain 100 percent of income from exports.



Investors targeting export markets can set up operations in any of the country's seven free trade zones. There are free zones near the border town of Dar'a, in Adra (north of Damascus), Aleppo, Damascus and at Damascus International Airport. There are also free zones at the ports of Lattaquie and Tartus.

### 2.3. The new investment agency

The new investment system promulgated in January 2007 considers the creation of an investment promotion agency in Syria (law n° 9, see annex 4). This structure, called SIC (Syrian Investment Commission) in this annex should in fact be called SIA (Syrian Investment Agency), a better 'commercial' name. It will benefit from a certain autonomy, depend on the Prime Minister and have an independent budget (with fees paid by investors, which is a curious concept, when in general investors get incentives to come in countries and not duties...).

Some aspects of the law n°9 show that the new structure will continue the administrative tasks performed by the IB: emphasis on the follow-up of licensing, frequency of the board meetings (twice a month or more) for registering new projects, rather bureaucratic list of tasks in article 8 of law n°9 (the words 'promotion', 'territorial marketing', 'country perception', 'competitiveness', 'attractiveness', 'entrepreneurship', 'innovation' are ignored by the text...).

Facilitation is however a priority, which is positive: emphasis on the one-stop-shop, definition of a 15-day period to accept or reject investment projects, issuing of procedure manuals, better dialogue with investors and possible opening of foreign offices of SIA, close to 'clients' (but with which budget?).

Policy advocacy is the indirect responsibility of the agency, in fact via the Supreme Investment Council (attended by the SIA Chairperson and General Manager) who approves the investment map and has its say on any investment-related regulation or issue.

Among the pending issues, one should mention:

- The lack of resources and means for the new agency (when investment promotion is generally expensive, especially for image building and investment generation);
- The imbalance between public and private sectors: the board welcomes 3 representatives from CCIs, but the Supreme Council is still closed to operators;
- The fact that several major sectors, such as tourism, real estate and energy are not under the responsibility of the SIA and that an important negative list for FDI still exists.

### 2.4. Country investment climate

Syria in general has enjoyed rather stable investment climate in terms of macroeconomic indicators, despite troubled regional geopolitics, relatively weak growth rates, with absence of inflationary pressures, reasonable internal and external balances, comfortable international reserves, and stable local currency.

In recent years, several landmark changes reflected the country resolve to integrate Syria into global economy with gradual but strong moves towards liberalisation, economic reform and modernisation, while allowing increased role of civil society, new parties and NGOs. The ruling Ba'ath regional conference, held in June 2005, adopted formally the concept of a " social market economy". This had sent positive signals to investors and financiers locally, regionally and internationally.

The 10th Economic and Social Development Plan covers the period 2006-2010, setting objectives, and the framework for a social market economy. The main priority of this plan is a progressive



State disengagement in order to stimulate competitiveness and competition while maintaining social balance, with the following objectives:

- The opening of public economic sectors to private investment;
- Equal distribution of growth throughout the 14 Governorships and development of the Syrian desert and regions to the East;
- The upgrading of social structures and living standards and anti-corruption measures.

Judging from Syria's position in international indices on country risk and economic freedom, Syria maintained a position within the medium to High Risk Category, and group of countries with weak economic freedom. For instance, EIU (Economist Intelligence Unit) provided the following estimate of the main country risks as of March 2007 (AAA=least risky, D=most risky):

- Sovereign risk (CCC, stable): pros: low debt level, resources (oil) and liquidity; cons: poor repayment record; declining oil production, risk of international sanctions;
- Currency risk (B, negative): pros: relative stability of the currency; cons: reliance on oil earnings political risk, limited convertibility;
- Banking sector risk (CCC, stable): cons: poor quality of mainly publicly-owned assets, need for reforms.
- Political risk (CC): pros: on power is unlikely to be broken; cons: regime's isolation
- Economic structure risk (B): cons: heavy export dependence on oil.

## 2.5. Ease of doing business

Business facilitation, in a region with a long culture of trading, should not be a concern... However, whatever the indicator, Syria does not perform very well –when it is short-listed by the various the think tanks (World Economic Forum, IMD, World Bank, EIU etc.). The question is not *"Is this true or justified? Or is the thermometer good?"* (because, whatever the instrument, the perception becomes the reality for investors), but *"How can we improve the Syrian economic and industrial image?"*

Figure 7. Overall Doing Business rankings

Source: World Bank /Doing Business 2007 for selected countries (MEDA countries are in red)

1	Singapore	55	Oman	<b>127 Palestine</b>
2	New Zealand	65	Peru	<b>130 Syria</b>
3	United States	75	Poland	134 India
5	Hong Kong, China	77	UAE	140 Mozambique
7	Denmark	<b>78 Jordan</b>		145 Iraq
11	Japan	<b>80 Tunisia</b>		149 Madagascar
18	Thailand	82 Italy		154 Sudan
21	Germany	<b>86 Lebanon</b>		159 Lao PDR
<b>26 Israel</b>		<b>91 Turkey</b>		162 Afghanistan
29	South Africa	93 China		<b>165 Egypt</b>
35	France	96 Russia		172 Chad
38	Saudi Arabia	104 Vietnam		175 DR Congo
39	Spain	109 Greece		
40	Portugal	<b>115 Morocco</b>		
43	Mexico	<b>116 Algeria</b>		
46	Kuwait	121 Brazil		
52	Czech Republic	126 Philippines		



## 2.6. Country FDI achievements

The country FDI records are rather inaccurate and shows mixed disaggregated figures gathered from various government entities, each being responsible for licensing projects according to the sector or law.

Despite these discrepancies, figures 8 and 9 below seem to indicate *a strong take-off in recent years*. For UNCTAD, Syria has doubled in 2005 its average FDI inflows of the previous decade (annual average of US\$ 140 million). This is mainly due to the inflow of real estate, tourism and banking projects originating in the Gulf. This trend should continue in 2006 and 2007.

ANIMA, with its observatory based on project announcements (MIPO) provides a still more optimistic view (figure 8). One should however be cautious with these data, including for 2005 and 2006 several mega-projects (also from the Gulf), which could take long before being fully implemented. The ANIMA-MIPO data base for Syria is presented in annex 5 (comprehensive abstract).

Figure 8. Recorded FDI flows for Syria and similar countries, 1997-2006 (UNCTAD)

Recorded FDI Flows (in \$m)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Algeria	260	501	507	438	1 196	1 065	634	882	1 081	3 000 <sup>1</sup>
Egypt	887	1 065	2 919	1 235	510	647	237	2 157	5 376	5 300
Jordan	361	310	158	787	100	56	436	651	1 532	1 500 <sup>1</sup>
Lebanon	150	200	250	298	249	257	2 860	1 899	2 573	1 000 <sup>1</sup>
Morocco	1 188	417	1 376	423	2 808	428	2 429	1 070	2 933	2 897
<b>Syria</b>	<b>80</b>	<b>82</b>	<b>263</b>	<b>270</b>	<b>205</b>	<b>225</b>	<b>180</b>	<b>275</b>	<b>500</b>	<b>2 000<sup>1</sup></b>

<sup>1</sup> Preliminary ANIMA estimate based on MIPO results

Figure 9. Announced FDI flows for Syria and similar countries, 2003-2006 (ANIMA)

Announced FDI Flows (MIPO-ANIMA, in €m)	2003	2004	2005	2006
Algeria	2 204	6 355	3 493	6 747
Egypt	477	2 504	8 922	14 524
Jordan	111	2 027	1 244	3 094
Lebanon	414	844	610	1 047
Morocco	3 225	4 261	2 430	5 309
<b>Syria</b>	<b>100</b>	<b>434</b>	<b>2 982</b>	<b>5 249</b>

Concerning the methodology, the Central Bank of Syria (CBS) publishes FDI data in its balance of payment (BOP) statistics as net position. FDI statistics follow IMF BOP manual (5<sup>th</sup> edition) and are collected from Investment Bureau (IB), Ministry of Tourism, Ministry of Oil, Commercial Bank of Syria, other banks. Data then is cross-referenced and compared to data reported to the central reporting unit within the CBS on annual basis. This practice will soon become semi-annual, quarterly then monthly, as CBS is preparing to enter into the IMF GDDS system for data collection and dissemination. Furthermore, data collection will cover other sectors that opened for private investment (like health, higher education, insurance etc). Syria is cooperating with ESCWA in establishing database on FDI statistics, but CBS considers that the results of the FDI survey realised in 2006 are not satisfactory.

One of the first priorities of the SIA will be to build a reliable data base about FDI projects in Syria, including the announced, authorised and realised investments, and separating (as does ANIMA) pre-projects (leads), 'normal' projects and small projects (representation office, branch, franchise, etc.). So far (Figure 9 below), the Investment Bureau registers numerous projects which are not necessarily realised. This trend was even exaggerated in 2006, with many investors wanting to benefit from the exemptions of former law n° 10.



Figure 9. Announced investment flows for Syria and similar countries, 2003-2006 (ANIMA)

Note: IB data include domestic investments

Nb. of projects	2004	2005	2006
ANIMA-MIPO ('normal' projects)	10	38	63
IB data (registered)	227	236	351
IB data (realised)	106	75	48
% realised	47%	32%	14%

During the 14 year period since issuing of the investment of law N°10 (1991-2004), 3 693 projects received a formal license or approval (Tashmeel decision) and the average annual investment costs of projects reached around SYP 45.2 billion (around US\$ 0.98 billion at average exchange rate of SYP 46 to 1 US\$). It is *estimated* that the implementation rate of the approved projects reached on average 50.4%, and the jobs created around 28% of promised. The jobs created are thought to be less than actual job creation figures for reasons to do with escaping paying social security, among others. During this period, the number of non-Syrian (Arab and foreign) projects approved reached 161 projects, comprising only 4.3% of total projects, and 38.6% of total investment cost.



### 3. Annexes

#### 3.1. Annex 1. List of persons met

##### Wednesday 18 April 2007

- Dr. Ghassan Al Habash, Deputy Minister of Economy and Trade, Chairman of the Syrian Investment Agency (SIA)
- Dr. Moustafa El Abdallah Alkafry, Director of the Investment Bureau (and SIA), Council of Ministers
- Mr. Haitham Moustafa, Head of Promotion, Investment Bureau, Council of Ministers
- Mr. Mohamed Seiff El-Din, Deputy Director, Investment Bureau, Council of Ministers
- Ms. Anais Motte, French Trade Commission
- Mr. Simon Bojsen-Moller, Investment and Trade, EU Delegation in Syria
- Mrs. Anne Joseph, Economic and Trade, EU Delegation in Syria

##### Thursday 19 April 2007

- Mrs. Amaal Dalaty, State Planning Commission
- Mrs. Nadia Okar, Head of EU Co-operation Department, Ministry of Industry
- Mrs. Jumana Kaa'kajy and colleagues, Central Bank of Syria
- Mr. Iman Riad Malas, UNDP, SIA assistance programme "Enhance the Investment Environment"

##### Friday 20 April 2007

- Private EU investors (requesting to speak anonymously)
- Mr Muhammad Basheer, MD Basheer - Private Company (textile)

##### Saturday 21 April 2007

- Mr. Mohamed Daaboul, CEO, Daaboul Group – Private Company (aluminium sector)
- Mr. Mumtaz Daaboul, CEO, MASAR - Private Company (coil coating)
- Mr. Gamal Kanbareyah, CEO, LANATEX - Private Company (tissue paper and agrofood) and Chamber of Industry
- Dr. Moustafa El Abdallah Alkafry, Director of the Investment Bureau /SIA

##### Sunday 22 April 2007

- Mr. Metanus El-Nour Directorate of Private Sector, Ministry of Industry.
- Mrs. Nahed Ibrahim, Directorate of Industrial Investment
- Mr. Ahmad Hassan, State Planning Commission, National Director of ISMF
- Mr. Hussein Al-Hassan, Deputy Director of Economic Affairs, Central Bureau of Statistics
- Mr. Samir Seifan, Chairman of the Syrian Management Consultant Association (Private)

##### Monday 23 April 2007

- Mr. Constantin Zaman, Team Leader, Institutional and Sector Modernisation Facility-ISMF
- Mr. James Mair, SME Finance expert, Syrian SME Fund, EIB
- Mr. Hisham Khayat, Senior Business Development, Syrian Enterprise Business Centre (SEBC) and Ms Noha Chuck, National team leader, SEBC

##### Tuesday 24 April 2007

- Mr. Aref Altawam, UNDP, National Project Director for the SIA assistance programme "Enhance the Investment Environment"
- Mr. Samer El-Rayes, Mr. Safwan El-Rumi, Ms. Rama El-Shaikh, Deputy Prime Ministry for Economy (Mr Dardari technical team)
- Mr Bachar Rhouzam, CEO, Najah Agro and Khouzam Company (seeds, fertilizers, agrofood)
- Dr. Moustafa El Abdallah Alkafry, Director of the Investment Bureau /SIA

##### Thursday 26 April 2007

Final debriefing meeting with all the SIA staff and particularly Dr. Moustafa El Abdallah Alkafry, Director of the Investment Bureau /SIA), Mr. Mohammad Seif Eldein, Mr. Haitham Moustafa



### 3.2. Annex 2. Participation of Syria in ANIMA capacity building activities

Between the end of 2002 and April 2007, ANIMA has organised 100 events (seminars, study trips, Euromed commercial events, training for instructors etc.) –see details on next page. Around 85 of these events were opened to all MEDA IPAs (15 local seminars were only destined to the national IPA):

- A little more than 1,500 staffs from various MEDA IPAs have participated in these activities, of which 93 Syrians (6.3%).
- When removing the approximate 65 persons having attended the two ANIMA seminars in Damascus, 28 Syrians have participated in abroad activities, among around 650 IPA staffs of all MEDA IPAs (4.3%).
- On average, the participation of Syria has been the half of that of the other IPAs.

In addition, Syria has organised with ANIMA two seminars in June 2004 and 2005 (out of 30 seminars in MEDA countries). When considering the other operations (business conferences, country events), this makes 2 operations out of a total of 45 in MEDA countries (4.4%).

In terms of public presentations, participation of Ministers, keynote speeches during conferences, the presence of Syria has been very discrete.

**Syrian participation in ANIMA (23 operations out of 85)***Despite the title, 90% of ANIMA activities were in English*

Country	Type of activity	Start	End	Topic
France	Seminar in EU	08/07/03	10/07/03	N°2. Séminaire décideurs sur la relance des IDE et projet APIM
Italy	Seminar in EU	01/12/04	03/12/04	N°4. Séminaire avec WAIPA – Image Building
Italy	Seminar in EU	19/04/05	22/04/05	N°6. Maximising FDI and setting up projects
Turkey	Regional MEDA Seminar	7/12/04	10/12/04	N°11. Tailoring the territorial offer to investor's needs
Malta	Regional MEDA Seminar	14/2/05	17/2/05	N°12. The Impact of a National Innovation Policy on FDI
Turkey	Regional MEDA Seminar	13/7/05	15/7/05	N°14. Territorial Marketing, Project Identification
France	Training for instructors	09/12/02	20/12/02	Communic. & territorial marketing
France	Training for instructors	06/12/04	10/12/04	3rd Med IPA seminar for Webmasters
France	Annual Conference	17/09/02	19/09/02	Conférence de lancement ANIMA
France	Annual Conference	22/10/03	24/10/03	Conférence annuelle n° 2 Marseille
Italy	Annual Conference	03/10/04	05/10/04	Conférence annuelle n°3 Rome
Germany, Spain, France	Study trip/ road-show	18/05/03	28/05/03	Visit of EU technoparks and IPAs
Italy	Study trip/ road-show	26/04/04	30/04/04	Visit of Italian regional IPAs and business federations
France	EuroMed event	10/03/03	12/03/03	Assises Méditerranéennes de l'International (AMI /CCI-MP)
France	EuroMed event	26/05/04	28/05/04	World Investment Conference, La Baule
France	EuroMed event	17/10/04	21/10/04	SIAL (Agri-food) 2004 et forum ANIMA
Egypt	EuroMed event	23/11/04	26/11/04	Egypt Invest 2004 et séminaire sur after-care et communication
France	EuroMed event	12/01/05	14/01/05	N°7 & 8. 1st Euro-Med Investment Summit (MIS)
France	EuroMed event	15/03/05	17/03/05	N°9. AMI (Assises Méditerranéennes de l'International) 2005
France	EuroMed event	29/06/05	29/06/05	N° 12. La Baule Investment Forum
Tunisia	EuroMed event	15/11/05	19/11/05	N°15. Sommet Mondial de la Société de l'Information / World Summit on Information Society
Italy	EuroMed event	20/02/06	21/02/06	N° 16. Business opportunities in the Mediterranean (Palermo UMCE conference)

**Activities organised in Syria (with Ministry of Industry and Investment Bureau)**

Syrie	Regional MEDA Seminar	14/06/04	17/06/04	Facilitating inward investment
Syrie	Regional MEDA Seminar	19/6/05	22/6/05	N°13. Institutional organisation for investment attraction



3.3. Annex 3. Legislative decree n°8 –New Investment Framework in Syria

**LEGISLATIVE DECREE No. 8**

**dated 27.1.2007**

**(Official Gazette No. 5 dated February 7<sup>th</sup>, 2007)**

**INVESTMENT IN THE SYRIAN ARAB REPUBLIC**

The President of the Republic,

In accordance with the Provisions of the Constitution,

**DECREES THE FOLLOWING:**

**Article 1.-** In application of the provisions of the present Legislative Decree, the following terms shall have the meanings assigned to them:

- A) **The Higher Council** ..... The Higher Council of Investment.
- B) **The Authority** ..... The Syrian Investment Authority, created under the provisions of the Syrian Investment Authority Law.
- C) **The Board of Directors** ... The Syrian Investment Authority's Board of Directors.
- D) **The Investment** ..... Establishment, expansion, development or modernization of the Investitures.
- E) **The Investor** ..... The physical person or legal entity who invests in Syria in accordance with the provisions of the present Legislative Decree.
- F) **The Investiture** ..... Any economic activity carried on by the Investor in accordance with the provisions of the present Legislative Decree.
- G) **The Assets** ..... Local and imported new and not renewed machineries, tools, equipment, instruments & means of transport other than passenger vehicles.



- H) The Foreign Fund ..... Fund duly transferred from abroad by Syrian, Arab or Foreign nationals.

### **CHAPTER I.- INVESTMENT WARRANTIES**

Article 2.- A) The Investor shall be authorized to own and lease the lands and real estates necessary for the establishment of the Investitures or expansion thereof, even if the area exceeds the ownership ceiling defined in the Laws and Regulations in force, provided that these premises are exclusively used for the objectives of the Investiture.

B) Upon cancellation of the Investiture or its final liquidation,

- ◆ the Investor should, in accordance with Laws and Regulations in force, relinquish to others of Arab Syrian nationals his ownership in excess of the ceiling defined legally ;
- ◆ a non-Syrian Investor should also relinquish to others his ownership of the lands of the Investiture and the buildings constructed thereon ;
- ◆ a Syrian or a Foreign Investor should obtain the Board of Directors' prior approval in case the relinquishment of the Investiture is for the interest of a non-Syrian person.

Period of two years shall be defined for the execution of said waiver process.

Article 3.- The Investitures and Investments, licensed according to the provisions of the present Legislative Decree, shall not be subject of confiscation, dispossession or any limitation of disposal of the ownership and revenues of the Investments, unless for Public Benefit and against payment of an immediate and fair compensation to the Investor equaling the Investiture value prevailing immediately prior to the dispossession and in a transferable currency for Foreign Fund.

Without prejudice to the provisions of the Public Funds Collection Law No. (341) of 1956, the Investiture should not be confiscated other than by Court Order.

Article 4.- A) A non-Syrian Investor shall obtain a work permit and residence permits for him and his family throughout the execution and operation period of the Investiture.



- B) An Investor may obtain work and residence permits for the non-Syrian personnel operating within the Investiture, in accordance with the Laws and Regulations in force.

Article 5.- A) An Investor shall be permitted to retransfer abroad, in a convertible currency, the value of his net share of the Investiture, after having paid the taxes chargeable to such share.

- B) An Investor shall be permitted, each year, to transfer abroad the profits and interests of the invested Foreign Fund, in a convertible currency, in accordance with the provisions of the present Legislative Decree, after having paid the taxes chargeable to such profits and interests.

- C) An Investor shall be permitted to retransfer abroad the Foreign Fund, if its Investment, and after a lapse of (six) months from the date of its original transfer, is obstructed by difficulties or circumstances beyond the Investor's will.

Such difficulties or circumstances are estimated by the Board of Directors, who may, in special cases, authorize the transfer abroad of the Foreign Fund without having to observe the afore mentioned period.

- D) Experts, workers and technicians, Nationals of Arab and Foreign countries, employed in one of the authorized Investitures, shall be allowed to transfer, in a convertible currency:

♦ 50% ... of their net wages, salaries & compensations ;

and

♦ 100% ... of their end-of-services awards,

provided they pay the taxes chargeable to such wages, salaries and compensations.

- E) Such transfer should be made through a duly authorized Bank.

- F) With approval of the Board of Directors, an Investor shall be allowed to import and re-export the equipment required for carrying up the Investiture's Assets.

Article 6.- A) Shall be considered the provisions of bilateral and multilateral International Agreements, related to Investment and Investment Warranty, applicable in the Syrian Arab Republic, and signed with other countries or with Arab and International Organizations.



- B) An Investor shall have the liberty to insure the Investiture with any Insurance Company authorized to operate in Syria.

**Article 7.-** A) Investment disputes between an Investor and the Syrian Public Entities and Establishments shall be settled through amicable solution.

If both Parties fail to reach an amicable solution, within (3) months from the date of submitting a written notice for the amicable settlement by either Parties of the dispute, either of them shall have the right to resort to one of the following procedures:

1. resort to the arbitration ;
2. resort to the Syrian competent jurisdiction ;
3. resort to the Arab Investment Court, formed under the Corporate Agreement for the Investment of Arab Capitals in the Arab countries, in 1980 ;
4. resort to the Investment Warranty and Protection Agreement, signed by the Syrian Arab Republic and the Investor's country, or an Arab or International Organization.

- B) All disputes related to Investment shall be considered urgently by the competent Court.

## **CHAPTER II.- INVESTMENT FEATURES AND INCENTIVES**

**Article 8.-** A) The exemptions, stipulated in the Income Tax Law in force and its amendments, and all the privileges and warranties, stipulated in the present Legislative Decree, shall be granted to the Investiture in the following sectors:

- ◆ agricultural ventures and land reclamations ventures ;
- ◆ industrial ventures ;
- ◆ transport ventures ;
- ◆ telecommunications and technology ventures ;
- ◆ Ecological ventures ;
- ◆ Services ventures ;



- ◆ electrical, petroleum and mineral resources ventures ;
- ◆ any other Investitures, by Decision of the Higher Council, being stipulated to the provisions of the present Legislative Decree, and according to a suggestion of the Board of Directors.

B) The Board of Directors shall issue the required Instructions to define and specify the sectors mentioned in Paragraph (A) of the present Article.

Article 9.- The licensed Investitures, according to the provisions of the present Legislative Decree, may import all their requirements without complying to:

- ◆ the provisions of prohibition, suspension or monopoly of importation ;
- ◆ the Regulations of direct importation from the country of origin ; and
- ◆ the provisions of the Regulations of Foreign Currency.

With prejudice to any provision in force, the imported Assets shall be exempted from Customs Duties, including:

- ◆ machineries, equipment and instruments necessary for the productive operation ; and
- ◆ means of transport other than passenger vehicles,

provided that these Assets should be used exclusively for the purposes of the Investiture and should not be disposed of, except by approval of the Board of Directors.

The Higher Council shall issue a Regulation defining the relevant bases, provisions and measures, according to a proposal of the Board of Directors.

Article 10.- For the implementation of the present Legislative Decree, the value of the lands used and the minimum value of the Assets shall be determined for each promotion project, by Decision of the Prime Minister Council.

Article 11.- A) According to a justified proposal by the Board of Directors, the Higher Council may decide to grant, any other Investiture, the Investment facilities, warranties or privileges, prescribed in the present Legislative Decree, or any additional privilege or warranty.



- B) The Higher Council shall adopt other exemption bases than those set forth in the Income Tax Law in force and its amendments for the Investitures of particular importance to the national economy.

### **CHAPTER III: GENERAL PROVISIONS**

**Article 12.-** An Investor, in any Investiture coupled with approval, should :

- A) inform the Authority by writing, upon completion of instalment of the Assets and their equipment, about the date of starting the work or the effective production of the Investiture ;
- B) maintain regular accounts for the Investiture according to International accounting standards and submit the Authority with copy of the Investiture balance sheets, certified by licensed Auditing Offices and Companies ;
- C) maintain a detailed Record of the Investiture Assets ;
- D) provide any information, data or documents required by the Authority and allow any of the Authority's authorized employee to check if such data and information correspond to the facts.

**Article 13.-** Any Investiture, approved under the provisions of the Investment Legislations in force, prior to the upcoming in force of the present Legislative Decree, shall continue to benefit from all exemptions and privileges accorded to it until the last moment of exemption allowed under such Legislations and conditions stipulated therein.

**Article 14.-** If the title of agreed Investitures are transferred in whole or a part to a Third Party, the new owner shall subrogate the previous owner in the rights, obligations and duties incumbent upon him under the provisions of the present Legislative Decree and the Regulations and Instructions issued for it.

The capital profits realized from sale of the fixed Assets shall be subject to Income Tax in accordance with the Laws and Regulations in force.

**Article 15.-** The particulars of information and data provided by the Investors in respect of their Investitures should neither be published nor circulated.



- Article 16.-**
- A) The Investitures agreed upon shall be governed by the applicable Joint Companies Law, without prejudice to the provisions of the present Legislative Decree.**
  - B) Without prejudice to the provisions of the present Legislative Decree, any other legal text shall be applicable.**
  - C) Law No. (10) of 1991 and its amendments shall be abolished.**

**Article 17.-** The present Legislative Decree shall be published in the Official Gazette and shall be applied as from 1.1.2007.

**DAMASCUS, on 08.01.1428 H., corresponding to  
27.01.2007**

**THE PRESIDENT OF THE REPUBLIC**

**BASHAR AL-ASSAD**

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### 3.4. Annex 4. Legislative decree n°9 – Syrian Investment Agency

#### Legislative Decree (9)

#### Syrian Investment Commission (SIC)

President of the Republic,

Pursuant to the provisions of the Constitution,

Decrees the following:

#### Article 1:

In the context of applying the provisions of this Legislative Decree, the following terms are hereby defined:

**A. Supreme Council:** Supreme Investment Council.

**B. Commission:** Syrian Investment Commission (SIC), established according to the provisions of this Legislative Decree.

**C. The Board:** SIC Board of Directors.

**D. The Board Chairperson:** SIC Board Chairperson.

**E. General Manager:** SIC General Manager.

**F. Investment:** Establishing, expanding, developing or upgrading enterprises.

**G. Investor:** Natural or artificial person who invests in the SAR.

**H. Enterprise:** Any economic activity operated by an investor pursuant to the provisions of the Investment Law.

**I. One-stop Shop:** one of the SIC departments where all ministries and public bodies concerned with investment according to the provisions of the Investment Law are represented.

#### Articles 2:

A. The Supreme Investment Council shall be formed as follows:

▪ Prime Minister	President
▪ Deputy Prime Minister for Economic Affairs	Vice President
▪ Minister of Finance	Member
▪ Minister of Transport	Member
▪ Minister of Local Administration and Environment	Member
▪ Minister of Industry	Member
▪ Minister of Economy and Trade	Member



- Minister of Agriculture and Agrarian Reform Member
  - Minister of Tourism Member
  - Minister of Housing & Construction Member
  - Minister of Social Affairs & Labour Member
  - Head of the State Planning Commission (SPC) Member
  - SIC Board Chairperson Member
  - SIC General Director Member/rapporteur
- B. The competent minister shall be invited to attend the Supreme Council meetings when considering issues related to his ministry or its subsidiary bodies.
- C. The Supreme Council President shall have the right to invite specialists he deems adequate to attend the meetings.
- D. The Supreme Council shall meet at least twice a year, and whenever necessary, following an invitation by the President, it shall perform the following tasks:
1. Lay out the general investment strategies and policies in Syria.
  2. Study investment-related Laws and Regulations.
  3. Adopt Syria's Investment Map.
  4. Study the included investment enterprises execution reports and evaluate the results of SIC activities.
  5. Issue the SIC-related regulations upon proposals by the Board.
  6. Discuss the issues referred to it by the Board and take the necessary measure with regard to them.

### Article 3:

- A. Pursuant to this Legislative Decree, the Syrian Investment Commission shall be formed. The Commission shall be located in Damascus, have a legal personality and enjoy financial and administrative independence; it shall be affiliated with the Prime Minister.
- B. SIC Branches and bureaus could be created in/outside Syria, whenever necessary, by virtue of a decision by the Prime Minister following a Board recommendation.

### Article 4:

The Commission aims at implementing national investment policies, and developing and promoting investment environment in Syria. To fulfill the aforementioned, SIC shall have the right to:

- Lay out the investment-related principles and standards to simplify and facilitate the procedures.
- Prepare the Investment Map in coordination with the relevant bodies, within priorities that take into consideration projects of strategic importance, and work on promoting them locally and internationally.
- Provide consultation, information and data to the investors and issue manuals on that.
- Take part in preparing investment-related draft conventions and protocols.
- Follow up on project implementation and overcome the obstacles hindering their execution and continuation.



- Undertake every possible promotional activity to attract and promote investment, including seminars, conferences and organizing visits and meetings.

**Article 5:**

The SIC will be managed by:

1. The Board
2. The General Manager.

**Article 6:**

The Board chairperson shall be appointed by a decree.

**Article 7:**

A. SIC Board of Directors shall consist of:

- Board Chairperson President
- General Manager Vice President
- Deputy General Manager Member & rapporteur
- 3 Managers from the SIC Members
- 3 representatives of chambers of industry, commerce and agriculture Members

B. The Board members shall be nominated by virtue of a decision from the Prime Minister, upon a recommendation from the competent body. Other members could be added to the Board by virtue of a decision from the Prime Minister.

C. Board Chairperson and members' bonuses shall be determined by virtue of a decision from the Prime Minister.

D. The Board shall meet at least once every two weeks or whenever necessary, following an invitation from the Chairperson. Meetings shall be deemed legal with the attendance of two thirds of the members, provided that the President or Vice President attends. Decisions shall be made by the attendants' majority; should votes turn equal the president side shall win.

E. The provisions and procedures related to regulating the Board works and meetings as well as all other relevant issues shall be drawn up by virtue of instructions issued by the Board for that purpose.

F. The Board shall be allowed to invite any specialists and concerned persons it deems adequate, to attend the Board meetings and provide consultation, without having the right to vote.

G. The workers representative shall be invited to attend the meetings addressing workers-related issues.

H. The Board shall have the right to create committees deemed necessary by it to help fulfill its duties, provided that their creation decision includes their tasks and meeting quorum.

I. The Board Chairperson shall nominate the Board secretary out of the SIC members of staff.

**Article 8:**

The SIC Board shall:

- a. develop the SIC plans and programs in coherence with the government's overall plan;
- b. implement the SIC policies and plans;
- c. propose the establishment of SIC branches or offices in Syria and abroad;
- d. appoint SIC branch managers and office heads in Syria and abroad;
- e. enable non-Syrian investors to lease or own real estates within the real needs of their enterprises according to investment laws;
- f. consider investor objections related to the projects authorized under the Investment Law without breaching the investor right to refer to the competent judiciaries.;
- g. approve the SIC budget and annual report and submit them to the Cabinet;
- h. propose the acceptance of donations, grants and gifts in accordance with the regulations in place;
- i. propose the fees to be imposed on the services provided by SIC.

**Article 9:**

The SIC General Manager shall be appointed by a decree and shall have the position of a deputy-minister. He shall be responsible before the Board and represent the SIC before the others and the judiciary. The General Manager shall:

- A. prepare the Board meeting agendas and attend these meetings;
- B. implement the Board decisions and any other decisions made according to the provisions of this Legislative Decree;
- C. manage the SIC activities and supervise its staff and administrative, financial and technical affairs;
- D. prepare the necessary plans and programs for the SIC to carry out its duties, submit recommendations on that to the Board and follow up their implementation after approval;
- E. prepare the SIC draft budget and submit it to the Board;
- F. prepare the annual report on the SIC activities during the foregoing year and submit it the Board;
- G. he shall be the paymaster, expenditure and clearance concluder;
- H. offer promotional bonuses and impose punishments for SIC staff in accordance with laws and regulations in place;
- I. contract with specialists and local and foreign experts for limited periods of time and specific tasks, when necessary and upon the Board approval; the provisions of the Fundamental Law for State Workers shall not be applied in those cases;
- J. appoint, promote, transfer and second workers in accordance with the effective laws and regulations;
- K. any other SIC-related tasks assigned by the Board.

**Article 10:**

- A. A One-Stop Shop shall be created in the SIC and branches thereof to provide services to investors, representing the relevant Ministries and public bodies, whose representatives shall have full authorities to fulfill their tasks pursuant to the SIC bylaw.
- B. The One-Stop Shop shall provide services to enterprises through representatives entrusted by different public bodies with all the authorities required to register, authorize, and grant the approvals, certificates and licenses required, pursuant to the provisions of this Legislative Decree and the Legislations in force, follow up the current enterprises, identify obstacles and make recommendations and solutions.
- C. The One-Stop Shop workflow, along with the different public bodies represented, shall be organized pursuant to a regulation that shall be issued by the Supreme Council for this purpose upon a recommendation from the Board.

**Article 11**

- A. An investor, who would like to invest pursuant to the provisions of this Legislative Decree and benefit from the privileges decided by virtue of it, shall have to apply in writing to the SIC, according to the form prepared for this purpose, attaching all the documents and information as defined by the instructions issued by virtue of this Legislative Decree.
- B. The SIC shall issue a decision approving the application within 15 days maximum as of its submission, provided that the enterprise meets the stipulations defined in this Legislative Decree. In case of disapproval, the SIC shall have to inform the investor of the reasons behind delaying the approval, and the requirements still to be met for approval.
- C. In all cases, investors shall be allowed to challenge the SIC decisions at the Board, which makes a decision in two weeks of challenge application date.

**Article 12:**

The SIC shall have an independent budget with special branch within the state general budget; its financial resources shall consist of:

- A. Funds allocated in the state budget.
- B. Grants, donations, contributions and local and foreign loans according to the laws and regulations in force.
- C. Fees on the services that SIC provides pursuant to the provisions of this Legislative Decree and to the regulations issued by virtue of it.
- D. The revenues of SIC funds.

**Article 13:**

The Board shall have the right to charge the Chairperson with some of its authorities stipulated in this Legislative Decree and its regulations.



**Article 14:**

- A. The Prime Minister shall issue the SIC bylaw and workers regulation according to a recommendation from the Board.
- B. All standing workers at the Investment Office shall be transferred definitely to the SIC on the date of this Legislative Decree validity maintaining the same situations, categories, salaries and promotion seniority. They shall form the current SIC personnel.
- C. The SIC personnel shall be issued by a decree.

**Article 15:**

This Legislative Decree shall be published in the Official Gazette.

Damascus 27/01/ 2007

**President of the Republic  
Bashar AL-Assad**



**3.5. Annex 5. ANIMA FDI records for Syria** (Mediterranean Investment Project Observatory-MIPO)

Year	Sector	Company /Investor	Origin	Project title	Type of project	Jobs created	FDI (€ mln)
2007	Banks, insurance, trade, media	Barada Capital One	Saudi Arabia	A Euro 100-million Saudi fund managed by BMG Financial Advisors, to invest in financial services, real estate, tourism and telcom	Portfolio		
2007	Banks, insurance, trade, media	BLF (Lebanese-French Bank)	Lebanon	Lebanese-French Bank to open branch in Syria	Lead		20,2
2007	Banks, insurance, trade, media	Blom Bank / Arope Insurance	Lebanon	BLOM Bank's Arope Insurance to invest SYP 1 billion in the third private insurance company to be granted approval and license to operate in Syria	Greenfield		72,1
2007	Banks, insurance, trade, media	Blom Bank / Arope Insurance	Lebanon	BLOM Bank's Arope Insurance to invest SYP 1 billion in the third private insurance company to be granted approval and license to operate in Syria	Greenfield		11,8
2007	Banks, insurance, trade, media	Virgin	United Kingdom	Lebanese Virgin branch set to open in Amman and Damascus	Non specified		
2007	Glass, ceramics, minerals, wood, paper	Ehdasse Sanat	Iran	Ehdasse Sanat Corporation, an Iranian company, is building a seventh plant with a production capacity of 1 million tons a year, which should start operations in August 2007	Non specified		
2007	Glass, ceramics, minerals, wood, paper	Lafarge	France	A joint-venture between France's Lafarge and local investors was granted a licence to set up a private cementery in Syria	Greenfield		
2007	Public works, real estate, transport, utilities	Al-Oula Development	Saudi Arabia	Al-Oula Development to establish a US\$ 432.9 million 70/30 joint-stock housing real estate company with the Syrian government	Joint-venture		
2007	Public works, real estate, transport, utilities	Emaar	United Arab Emirates	Emaar announces US\$ billion of investment, part of it into Syria	Greenfield		
2007	Textile, clothing, luxury	Verdissima	Italy	Italy's Verdissima Lingerie to open branch and shop in Damascus	Non specified		
2007	Tourism, catering	Le Duff	France	Le Duff, owner of DelArte, Brioche Dorée, Bridor, Fournil de Pierre et la Madeleine signs a 5-year franchise contract for 25 restaurants in Syria	Branch		
2006	Agro-business	Akhras Group	United Arab Emirates	Construction of a new 600,000-tonne-per-year capacity sugar refinery in central Syria, expected to come on-stream in the second half of 2007	Greenfield		
2006	Agro-business	Cargill	USA	American Cargill and Brazilian Cristalsev to set up with local partners a new sugar plant in Syria for a total investment of US\$ 80 million	Greenfield		25,8
2006	Agro-business	Cristalsev	Brazil	American Cargill and Brazilian Cristalsev to set up with local partners a new sugar plant in Syria for a total investment of US\$ 80 million	Joint-venture		6,5
2006	Agro-business	Nestlé	Switzer-land	Nestlé has announced an additional USD 7 million worth of investments	Brownfield		5,6
2006	Banks, insurance, trade, media	Adra Chinatown	China	Commercial Chinatown in the Syrian Adra free zone opens	Greenfield		5,4
2006	Banks, insurance, trade, media	Al Aqila	Kuweit	Creation of a USD 500 million real estate investment fund	Greenfield		403,2
2006	Banks, insurance, trade, media	Al Aqila	Kuweit	Approval of Aquilah among the first three Islamic insurance companies to operate in the Syrian market according to Sharia Law	Branch		14,4
2006	Banks, insurance, trade, media	Al Shall	Kuweit	Syrian-Gulf investment in Yafour Medical Center, the biggest private hospital in Syria	Joint-venture		14,9



Year	Sector	Company /Investor	Origin	Project title	Type of project	Jobs created	FDI (€ mln)
2006	Banks, insurance, trade, media	Al Sham Bank	Kuwait	Gulf investors led by Kuwait to provide capital for new Islamic bank (Al Sham Bank) in Syria	Portfolio		19,8
2006	Banks, insurance, trade, media	Arab Bank	Jordan	Arab Bank opens a bank branch in Damascus	Greenfield		12,1
2006	Banks, insurance, trade, media	Arab Insurance Company-Syria	United Arab Emirates	Creation of the Arab Insurance Company-Syria by UAE investors	Joint-venture		
2006	Banks, insurance, trade, media	Bank Saderat	Iran	Bank Saderat of Iran (BSI) and the Commercial Bank of Syria (CBS) decide to establish a joint-venture bank in Syria	Joint-venture		10,8
2006	Banks, insurance, trade, media	Blom Bank /Arope	Lebanon	Creation of the Syrian International Insurance Company (SIIC) by Beirut-based Blom Bank and its affiliate Arope Insurance	Joint-venture		
2006	Banks, insurance, trade, media	Byblos Bank	Lebanon	Lebanese Byblos Bank opens four branches in Syria, two in Damascus, one in Homs and one in Aleppo	Branch		
2006	Banks, insurance, trade, media	Commercial Bank of Kuwait	Kuwait	Approval of an Islamic bank, 49% subsidiary of Commercial Bank of Kuwait	Branch		36,1
2006	Banks, insurance, trade, media	Dallah al-Baraka	Saudi Arabia	Approval of the Islamic bank Baraka Bank Syria, subsidiary of Dallah al-Baraka	Branch		36,1
2006	Banks, insurance, trade, media	Gulf Bank	Bahrain	Gulf investors led by Bahrain to provide capital for new Bank Syria and the Gulf	Portfolio		10,8
2006	Banks, insurance, trade, media	Gulf Insurance w/ United Gulf Bank	Kuwait	Creation of the Syrian-Kuwaiti Insurance Company by Kuwait's Gulf Insurance and the United Gulf Bank	Joint-venture		
2006	Banks, insurance, trade, media	Housing Bank for Trade & Finance	Jordan	Housing Bank for Trade & Finance opens a bank branch in Damascus	Greenfield		12,1
2006	Banks, insurance, trade, media	Investment Dar	Kuwait	Kuwait's Investment Dar to establish an Islamic bank in Syria with a capital of USD 100m	Greenfield		76,6
2006	Banks, insurance, trade, media	KSHC	Kuwait	KSHC intends to establish an Islamic bank and a real-estate project in cooperation with the Kuwaiti-based al-Khurafi company	Greenfield		80,6
2006	Banks, insurance, trade, media	Noor	Kuwait	Approval of Noor among the first three Islamic insurance companies to operate in the Syrian market according to Sharia Law	Branch		22,1
2006	Banks, insurance, trade, media	Qatar National Bank	Qatar	Approval of an Islamic bank, 49% subsidiary of Qatar National Bank	Branch		36,1
2006	Banks, insurance, trade, media	QIIB	Qatar	Qatar International Islamic Bank (QIIB) to open an Islamic bank in Syria with USD 100m (SYP 5.2bn) in capital	Greenfield		80,6
2006	Banks, insurance, trade, media	Syrian-Kuwaiti Insurance Co	Kuwait	Syria licenses new insurance firm, sizably owned by Kuwaiti investors	Branch		6,3
2006	Banks, insurance, trade, media	Syrian-Qatari Co. for Insurance	Qatar	Approval of Aquilah among the first three Islamic insurance companies to operate in the Syrian market according to Sharia Law	Branch		6,1
2006	Banks, insurance, trade, media	Syrian-Ukrainian Bank	Ukrain	Approval of a new Syrian-Ukrainian Bank	Branch		18,8
2006	Banks, insurance, trade, media	Takaful	Pakistan	Takaful enters the almost virgin insurance market estimated at USD 500 million a year	Branch		



Year	Sector	Company /Investor	Origin	Project title	Type of project	Jobs created	FDI (€ mln)
2006	Car manufacturers or suppliers	Sicico	Iran	Second joint venture between Syrian and Iranian investors for car manufacturing in Syria	Joint-venture		64,5
2006	Chemistry, platurgy, fertilizers	Kuwaiti United Co. for Investment	Kuwait	Kuwaiti United Investment Company builds a bitumen water insulation plant worth USD 15 million in Syria	Greenfield		12,1
2006	Distribution	Migros	Switzer-land	Migros Turkey is planning to establish a branch in Syria to operate in the retailing sector	Greenfield		
2006	Energy	CNODC	China	The Chinese-Syrian al-Kawkab JV inaugurates a new oil refinery in Jabasa, northeast Syria	Greenfield		
2006	Energy	CNODC	China	The Chinese-Syrian al-Kawkab JV to invest US\$ 10 million in its Gbeibe oil field in order to improve the quality of exported crude oil	Brownfield		8,5
2006	Energy	GCCGP	Germany	The German Consultative Company for Generating Power (GCCGP) will set up 300 MW windmills near Homs, at a cost of Euro 372m	Greenfield		372,0
2006	Energy	Marathon Oil	USA	US firm Marathon Oil signed US\$125 million contract to develop Al-Shaer and Al-Sharifah fields in northern Syria	Privatisation , PPP		97,0
2006	Energy	Noor	Kuwait	Investment company Noor, from Kuwait, will invest US\$ 1,5 billion over 4 years in a new refinery in Deir Ezzor	Greenfield		1 209,7
2006	Energy	Noor	Kuwait	Noor plans to set up a chain of 50 petrol stations in Syria at an estimated cost of USD 100 million under its brand name	Greenfield	1 000	80,6
2006	Energy	Petro-Canada	Canada	Petro-Canada bought a 90% stake of American Co Marathon Oil'license to exploit 2 oil fields in Syria	Portfolio		99,4
2006	Glass, ceramics, minerals, wood, paper	Al Rajhi	Saudi Arabia	Saudi Rajhi Investment Group to invest in 4 cement plants in Syria, creating 500 jobs	Greenfield	500	171,4
2006	Glass, ceramics, minerals, wood, paper	Ihdath Sanaat	Iran	After a 1st line of USD 100 million in Hama, the Iranian Ihdath Sanaat Company plans to carry out a second cement project in Syria	Brownfield		161,3
2006	Glass, ceramics, minerals, wood, paper	Rajhi Group	Saudi Arabia	The Saudi-based Rajhi Group will build a cement factory at a cost of SYP 21.551bn (USD 412.9m) in Abu Ashamat area, 85km north east of Damascus	Greenfield		317,3
2006	Glass, ceramics, minerals, wood, paper	Sinohydro	China	The Chinese company will be a partner in a cement factory which will be built in Abu Ashamat area	Joint-venture		88,7
2006	Metallurgy & recycling of metals	Voestalpine	Austria	Acquisition of public siderurgy group Gecosteel by the Syrian Al Hareth in association with Austrian Voest Alpine	Privatisation , PPP		40,3
2006	Other or not specified	Bin Laden	Saudi Arabia	The Bin Laden group considers several agribusiness and industrial investments amounting to USD 700 million	Brownfield		564,5
2006	Public works, real estate, transport, utilities	Bin Laden	Saudi Arabia	Saudi Bin Laden sets up a joint venture company for construction materials in Syria	Joint-venture		68,5
2006	Public works, real estate, transport, utilities	Emaar Properties	United Arab Emirates	Emirates company Emaar Properties will invest \$500 million in the The Eighth Gate project near Damascus	Greenfield		403,2
2006	Public works, real estate, transport, utilities	ICTSI	Philippines	Philippines-based International Container Terminal Services Inc (ICTSI) has gained a 10-year operating concession for the Tartous Container Terminal	Privatisation , PPP		29,8



Year	Sector	Company /Investor	Origin	Project title	Type of project	Jobs created	FDI (€ mln)
2006	Public works, real estate, transport, utilities	Kuwaiti United Co. for Investment	Kuweit	Kuwaiti United Investment Company builds a bitumen water insulation plant worth USD 15 million in Syria	Greenfield		38,2
2006	Public works, real estate, transport, utilities	Majid Al Futtaim	United Arab Emirates	Majid Al Futtaim Group to invest US\$ 1billion in Syria in various real estate projects including a gigantic shopping mall	Greenfield		806,5
2006	Public works, real estate, transport, utilities	Oula	Saudi Arabia	The Syrian government and the Saudi-based Oula Company for Real-Estate Development will set up a Euro 350m holding company	Greenfield		350,0
2006	Public works, real estate, transport, utilities	Rockwall	Lebanon	Rockwall will build a USD 150m rail line for a high-speed electric train between Damascus and Damascus Airport on a BOT principle for 30 years	Privatisation , PPP		114,8
2006	Public works, real estate, transport, utilities	Unexim	Lebanon	Unexim teams up with saudi Al Mouhib holding to set up a US\$ 280 million cementery	Joint-venture		
2006	Public works, real estate, transport, utilities	Unexim / Akkar Development	Lebanon	Akkar Development, a subsidiary of Beirut-based Unexim Group, is developping the Euro 183 million Cordoba Hills project, west of Aleppo	Greenfield		161,3
2006	Public works, real estate, transport, utilities	Universal Investment Group	United Arab Emirates	a Memorandum of Understanding with UAE's Universal Investment Group has been signed to establish an Internet city in Syria, for \$2.7 billion	Joint-venture	4 000	2 177,4
2006	Tourism, catering	Al Fatim	United Arab Emirates	Syrian authorities and the Emirates group agree about the construction of a tourism city in Damascus region	Greenfield		806,5
2006	Tourism, catering	Al Kharafi Group	Kuweit	Kuwaiti goup Al-Kharafi to invest US\$ 218 m to build a tourism resort in Kiwan	Greenfield		175,8
2006	Tourism, catering	Diar Real Estate	Qatar	A Qatari group invests in Lattaquie to develop a tourism resort	Greenfield		161,3
2006	Tourism, catering	KHI	United Arab Emirates	The Dubai-based hotel group Kingdom Hotel Investments (KHI) unveiled that it will increase its stake in the Four Seasons Damascus from 35.75% to 49.5%	Portfolio		12,1
2006	Tourism, catering	Starwood	USA	American Starwood Hotels and Resort signed a MoU to built and operate a Sheraton hotel in Homs, Syria	Joint-venture		
2006	Tourism, catering	Syrian Jordanian Investment Co	Jordan	The Syrian-Jordanian Investment Company has begun the implementation of a USD 60m (SYP 3.11bn) tourism project near Aleppo	Greenfield		24,2
2005	Agro-business	Alcides Branco	Portugal	Alcides Branco opens a new plant in Syria in partnership with Syrolio	Greenfield		
2005	Agro-business	Altadis	France	Building of a new tobacco plant in Lattaquié which will be ready by the end of 2005	Greenfield		4,0
2005	Agro-business	Bel	France	The cheese producer to create 200 jobs in 2006	Brownfield	185	13,0
2005	Agro-business	Kingship	Germany	Joint venture with a Syrian businessman to create the first private brewery	Greenfield	500	16,1
2005	Banks, insurance, trade, media	Arab Bank	Jordan	Arab Bank gets the go ahead by Syrian government to open bank	Joint-venture		
2005	Banks, insurance, trade, media	Bank Audi	Lebanon	Bank Audi gets the go ahead by the Syrian government to open a bank	Joint-venture		50,0
2005	Banks, insurance, trade, media	Byblos	Lebanon	Byblos receives the authorisation to open a bank in collaboration with the OPEP investment fund	Branch		0,0



Year	Sector	Company /Investor	Origin	Project title	Type of project	Jobs created	FDI (€ mln)
2005	Banks, insurance, trade, media	Inconnu	Kuweit	Kuwaiti investment companies will open the first Islamic Bank in Syria with capital of 148 million euros	Greenfield		148,7
2005	Banks, insurance, trade, media	Inconnu	Bahrain	Creation of the Syrian-Bahraini Bank which will commence activities in the beginning of 2005	Joint-venture		60,5
2005	Banks, insurance, trade, media	Qatar International Islamic Bank	Qatar	The bank has applied for permission of the Syrian banking regulatory authorities to set up operations in Damascus	Greenfield		
2005	Banks, insurance, trade, media	UFA	Lebanon	UFA, the Lebanese insurance company obtains a licence to operate in Damascus Free Zone	Branch		0,0
2005	Car manufacturers or suppliers	Khodro	Iran	Beginning of the construction of the first automotive factory by the Siamco joint venture	Joint-venture		48,4
2005	Car manufacturers or suppliers	KIA motors	South Korea	KIA motors and LG to build assembly plant in Syria	Greenfield		16,1
2005	Car manufacturers or suppliers	Nissan	Japan	Nissan opens first showroom in Syria with 40 staffs	Branch	40	
2005	Chemistry, plasturgy, fertilizers	Dharamsi Morarji Chemicals Ltd	India	Building of a factory producing 500 000 tons per year of tri super phosphate	Greenfield		32,2
2005	Distribution	Spinneys	United Arab Emirates	Spinneys investment in Syria over the next 12 months	Greenfield		30,2
2005	Electronic components	Vimpex	Austria	Building of a communications systems factory by the General Telecommunications Co of Germany	Greenfield		
2005	Energy	Boucha-maoui	Tunisia	Bouchamaoui obtains oil exploration contract in Syria	Portfolio		11,3
2005	Energy	Credit Line	Russia	Construction of an oil refinery and a petrochimic plant for 2,7 billion US\$	Greenfield	2 500	2 170,2
2005	Energy	East & West Oilfield Services	United Arab Emirates	The firm received a licence from the Petroleum & Mineral Resources Ministry	Privatisation , PPP		
2005	Energy	Ehdasse Sanat Corporation	Iran	The Damascus petrol refinery, the first private joint venture in the sector, starts production	Joint-venture		5,8
2005	Energy	Foreign Petroleum Exploration Company	Kuweit	The firm signs an agreement to excavate oil and gas in southwest Tadmur (Palmyra)	Privatisation , PPP		4,2
2005	Energy	Gail	India	The firm said it will set up a joint venture company with a Syrian company for city gas distribution projects in Syria	Joint-venture		
2005	Energy	INA	Croatia	INA signed an agreement to develop Jhar gas field	Privatisation , PPP		
2005	Energy	Soyouz Petrol	Russia	Soyouz Petrol signs oil exploration agreements totaling 500 million euros	Greenfield		8,0
2005	Energy	Soyuzeneft-gas	Russia	The firm has signed a partnership agreement with Texas-based Gulfsands Petroleum for a 50 per cent stake in an oil field	Joint-venture		
2005	Energy	Stratic	Canada	Stratic Energy of Canada has initialled a production sharing agreement with the Syrian Petroleum Company	Joint-venture		
2005	Energy	Transgas Oil Russian Company	Russia	Russian firm to set up new oil refinery in Syria for 2 billion US\$	Greenfield		1 607,6
2005	Metallurgy & recycling of metals	Al-Hareth	Austria	Privatisation of the Hama steel-works management bought by al-Hareth	Privatisation , PPP		42,6



Year	Sector	Company /Investor	Origin	Project title	Type of project	Jobs created	FDI (€ mln)
2005	Metallurgy & recycling of metals	TMK-Pipe Metallurgical Co	Russia	TMK to Open Representative Offices in Syria by the end of 2005	Branch		
2005	Other or not specified	Inconnu	China	US\$ 6.7 million to be invested in new Chinese factories in north Damascus	Greenfield		5,4
2005	Public works, real estate, transport, utilities	Emaar Properties	United Arab Emirates	Emaar launches real estate mega projects in Syria for 3.9 billion US\$	Greenfield		3 134,8
2005	Public works, real estate, transport, utilities	Tiger Real Estate	United Arab Emirates	Construction of an international trade center in Damascus for 120 million US\$	Greenfield	3 600	96,5
2005	Tourism, catering	Accor	France	Construction of a 230 room Sofitel in Syria which will be opened by 2008	Greenfield		
2005	Tourism, catering	Aqar	Saudi Arabia	Aqar launch the construction of the Souk al-Hijaz commercial resort in Damascus at a cost of 40 million euros	Greenfield		40,2
2005	Tourism, catering	Ben Laden	United Arab Emirates	Emirates investors are building a tourist resort in Lattaquié	Greenfield		
2005	Tourism, catering	Bin Laden	Saudi Arabia	The BinLaden group will build a new tourist resort, Palm Village, in the western suburb of Damascus, the	Greenfield		
2005	Tourism, catering	Carwood Investment	UK	Construction of a 160 million euros tourist resort in Tartous to be financed by British investors	Greenfield		56,3
2005	Tourism, catering	Rotana	United Arab Emirates	The Damascus Rotana hotel will be the newest addition to this regional chain when it opens during Summer 2005	Greenfield		
2004	Agro-business	BAT	USA	Agreement between BAT and the Tobacco General Organisation to produce its own brands	Greenfield		
2004	Agro-business	Bel	France	The launch of cheese production is foreseen in the first 2005 semester	Greenfield		
2004	Consulting and services to companies	Emircom	United Arab Emirates	Creation of a full fledged branch in Damascus to serve the Middle East region in ICT solutions	Branch		
2004	Distribution	Majid Al Futtaim	United Arab Emirates	The UAE's Majid Al Futtaim Group to build a USD300m shopping mall	Greenfield		241,2
2004	Energy	CNPC	China	Creation of the joint venture Planet between SPC (Syrian Petroleum Company)	Joint-venture		
2004	Energy	HBS International	Tunisia	US\$ 14 million contract for Tunisian HBS International for oil and gas exploration	Joint-venture		10,0
2004	Energy	Tanganyika Oil	Canada	Investment of US\$18.9 million to develop the Oudeh field and increase oil production	Greenfield		15,2
2004	Public works, real estate, transport, utilities	Taxi aérien	Lebanon	Creation of a Syrian-Lebanese joint-venture, the "Taxi Aérien"	Joint-venture		7,2
2004	Tourism, catering	Antrados Développement Touristique	UK	Important tourism project on the Syrian coast	Greenfield	2 500	160,8
2004	Tourism, catering	Bin Laden Group	Saudi Arabia	The Binladin group invests in a touristic resort	Greenfield		
2003	Agro-business	Bin Laden Group	Saudi Arabia	Building of an olive oil factory in Northern Syria	Greenfield		
2003	Car manufacturers or suppliers	Proton	Malaysia	Malaysian automaker Proton plans to assemble cars in Syria	Greenfield		
2003	Tourism, catering	Four Seasons	Canada / SA	Opening of a Four Seasons Hotel in Damascus	Greenfield		100,0



### 3.6. Annex 6. Set of documents released

The SIA Chairman has requested some good examples of Power Point presentations made by Mediterranean countries.

Three main electronic files have been prepared with the following content for him and the Investment Bureau:

#### *Examples of country presentations*

- Several presentations about Egypt, Turkey, Jordan, France, Israel
- Two videos used for investment promotion (Egypt, France)
- A benchmark by Invest in France of communication campaigns by IPAs worldwide

#### *Ideas for capacity building in Syria*

- GAFI twinning
- Benchmark of some EU IPAs (staff, budget) in one Excel table
- Benchmark of MEDA IPAs
- Reports, benchmarks & data about Syria or the MEDA region
- Reports by UMCE, EIU, World Bank, etc.

#### *Role played by ANIMA*

- ANIMA simplified data base about FDI projects detected in Syria
- History of ANIMA relationship with Syria
- Participation in ANIMA activities (a bit limited so far –see annex)
- Final opportunities (5<sup>th</sup> ANIMA conference +board meeting, La Baule World Investment Conference, where a Syrian Minister is invited to speak)
- Invitation for Syria to join the newly formed ANIMA Network Association (20 funding members –will be candidate for the continuation of ANIMA in 2008) –Statutes, members, progress so far, programme etc.

### 3.7. Annex 7. Some useful Syrian web sites

<http://www.planning.gov.sy/ar/>

<http://www.parliament.gov.sy/ar/law.php>

<http://www.sptechs.com/emarket/>

<http://www.dci-syria.org/hrdapucmp.htm>

[http://buildex.com.sy/buildex\\_catalog\\_2006/en\\_index.asp](http://buildex.com.sy/buildex_catalog_2006/en_index.asp)

<http://www.mmc.sy/clients.htm>

<http://www.dalylak.com>



### 3.8. Annex 8. Press release about the new ANIMA mutual structure

#### ANIMA Network Association to implement in Marseille a multi-country platform for economic development of the Mediterranean

Gathered at the end of November 2006 in Marseille for the 2nd Euromed Business Summit associating companies, banks and investment promotion agencies, **the Euromed countries reiterated their will to become more attractive for foreign direct investment (FDI)**. The efforts made since 2002 by these countries and by their co-operation network (ANIMA) have been fruitful: the FDI flow into 10 Mediterranean partner countries (known as "MEDA", i.e. Maghreb, Machrek, Israel and Turkey) increased from 10 billion dollars in 2003 (less than 1% of worldwide FDI) to more than 30 billion in 2005 (or 3.5% of worldwide FDI).

These achievements are encouraging the MEDA countries, which are conscious of the potential and the need for further progress. Facing Europe, with a young population and labour force, they might constitute a future *dragon* able to attract for instance Gulf petrodollars. In order to establish the *Mediterranean site* as a competitive territory, to coordinate their external promotion, to mutualise their sales efforts and to continue some network economic intelligence and training, **the economic development agencies of the MEDA region have created the ANIMA Network Association in Marseille.**

**Mrs. Laila Sbiti, Deputy Director of Invest in Morocco, will hold the Presidency**, the vice-presidency being entrusted to **3 Southern countries (Algeria, Palestinian Authority, Tunisia)** and to **two Northern communities (City of Marseille and Region Provence-Alpes-Côte d'Azur)**. With a treasurer and a general delegate (Mr. Bénédicte de Saint-Laurent), the Invest in France Agency (AFII) will stay involved in this structure, which will rely on the ANIMA agency based in Marseille.

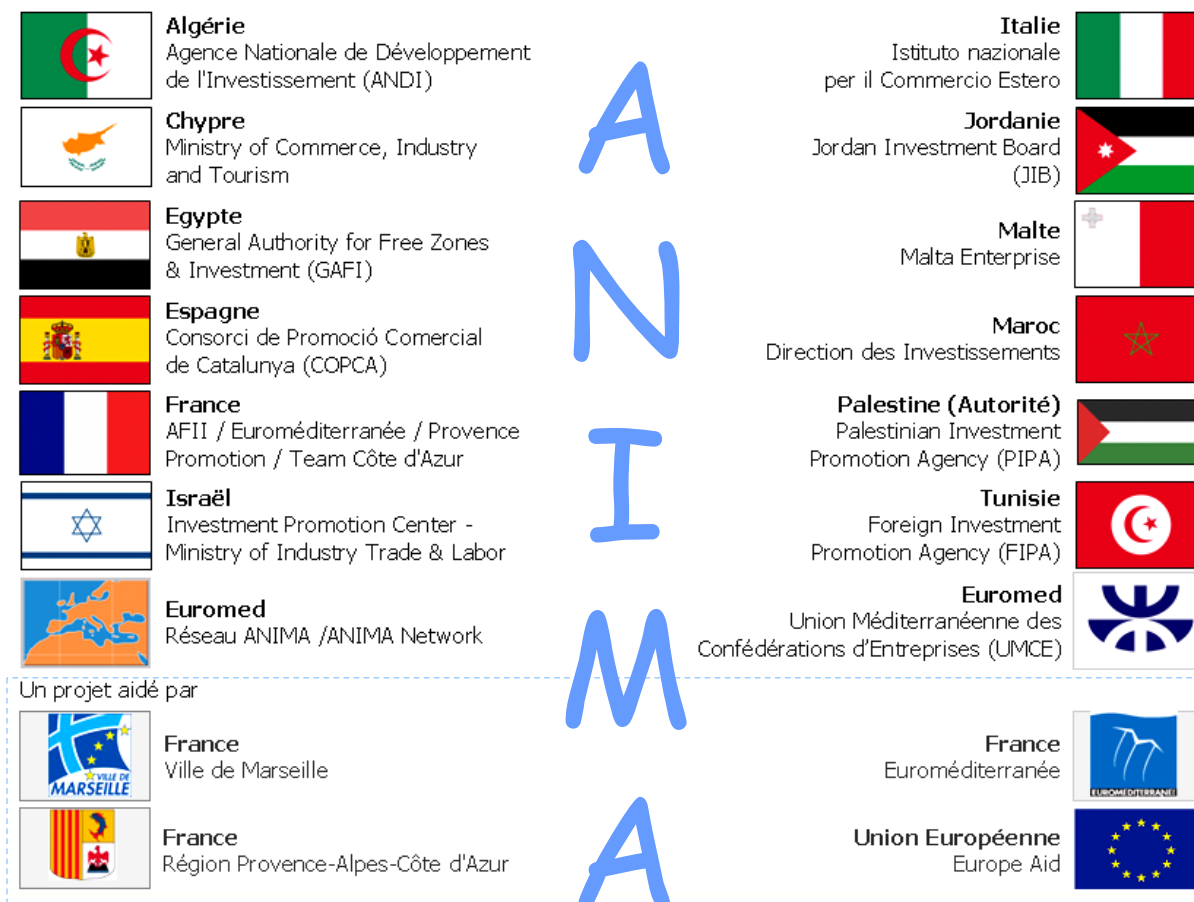
The other countries, regions or organisations members of the Board of directors of Association "ANIMA Network" are:

- On the European side, Malta, Cyprus, Catalonia and 3 French development (Euroméditerranée, Provence-Promotion, Team Côte d'Azur);
- On the Southern side, Egypt and the Mediterranean Confederation of Enterprise Unions (UMCE).

In addition, Jordan, the Mission of Regional Economic Development (PACA, France) and the World Association of Investment Promotion Agencies (WAIPA, the United Nations) also agreed to join the association. Lastly, other agencies or organisations are currently "observers": the new Turkish development agency (Invest in Turkey), Investment Development Authority of Lebanon (IDAL), Investment Bureau (Syria), Invest in Bulgaria, ITDH (Hungary), CCI of Milan.

During the following days, these partners took part in the Euromediterranean Business Summit organised by The Economist and ANIMA, and expressed their **optimism on the continuation of FDI growth**, due to on-going reforms, public-private partnerships and privatisation programmes in MEDA countries -with an estimated amount of 300 billion dollars for the next ten years.

They also began the preparation of **a joint project for accelerating the growth of investment and to support co-development enterprises in the Mediterranean basin**. The private sector will be widely associated to this initiative, with the launching in 2007 of an **"ANIMA Club" open to companies**.



### The 20 founding organisations (in alphabetical order)

- Agence Française pour les Investissements Internationaux - Invest in France Agency (AFII, France)
- Agence Nationale de Développement des Investissements (ANDI, Algeria)
- Consorci de Promoció Comercial de Catalunya (COPCA, Spain)
- Direction des Investissements (Morocco)
- Euroméditerranée (France)
- Foreign Investment Promotion Agency (FIPA, Tunisia)
- General Authority for Investment and Free Zones (GAFI, Egypt)
- Istituto per il Commercio Estero (ICE, Italy, observer)
- Invest Bulgaria
- Investment Promotion Centre, Ministry of Industry, Trade & Labor (IPC, Israel)
- Jordan Investment Board (JIB, Jordan)
- MaltaEnterprise (Malta)Ministry of Commerce, Industry and Tourism (Cyprus, observer)
- Mission de Développement Economique Régional (MDER, France)
- Palestinian Investment Promotion Agency (PIPA, Palestinian Authority)
- Provence-Promotion (France)
- Région Provence-Alpes-Côte d'Azur (France)
- Team Côte d'Azur (France)
- Union Méditerranéenne des Confédérations d'Entreprises (UMCE)
- Ville de Marseille (France)
- World Association of Investment Promotion Agencies (WAIPA, United Nations)



3.9. ANIMA 9. Achievements in capacity building

Field	Achieved from 9/2002 to 5/2007	Impact
<b>Training (one week seminars)</b>	<ul style="list-style-type: none"> <li>• 41 seminars, of which 15 regional MEDA seminars, 12 EU seminars, 14 country seminars</li> <li>• 10 information days on FDI with Govt., media, business</li> <li>• 26 training modules</li> <li>• More than 100 sets of slides</li> <li>• 75 experts mobilised</li> <li>• Contact with investors and entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• 1,200 participants trained</li> <li>• Dissemination of best practices of EU IPAs, with a common toolkit</li> <li>• Practical work on IPAs' marketing tools</li> <li>• Better perception of FDI challenges</li> <li>• An ANIMA co-operation spirit</li> <li>• Ideas for common initiatives (reinforced co-operation)</li> </ul>
<b>Transfer of knowledge /Internships /Study trips</b>	<ul style="list-style-type: none"> <li>• 12 training workshops for instructors + toolkit</li> <li>• 10 trainees seconded for two months to EU IPAs (Bavaria, Strasbourg, London, Marseille, Sweden, Spain etc.)</li> <li>• 4.5 one-year secondments in Marseille</li> <li>• 3 study trips on technopoles, IPA management &amp; business opportunities and call centres</li> </ul>	<ul style="list-style-type: none"> <li>• Practical missions (sector review, survey, contacts, event preparation)</li> <li>• Facilitated interface with EU companies and business federations</li> <li>• Numerous bilateral events and visits (Egypt, Morocco)</li> <li>• Methods and approaches of EU IPAs</li> </ul>
<b>Technical assistance (3-week missions and report)</b>	<ul style="list-style-type: none"> <li>• 4 missions on IPA creation/reshuffling (Cyprus, Tunisia, 2 in Syria)</li> <li>• 3 missions on web site/intranet design (Turkey, Israel, Jordan)</li> <li>• 4 missions on marketing/investor targeting (Egypt, Morocco, Lebanon, Israel)</li> <li>• 3 missions on communication (Morocco, Lebanon, Israel)</li> <li>• 4 missions on investment intelligence and resource management</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional progress (new laws, creation of IPAs)</li> <li>• Design of <a href="http://www.investinturkey.gov.tr">www.investinturkey.gov.tr</a></li> <li>• New information system for Jordan</li> <li>• Home Sweet Home project and unit in Egypt</li> <li>• Strategic plans for a territory, a sector</li> <li>• Improved communication in Morocco</li> <li>• Shared intelligence and resource management (SMILE, offers)</li> </ul>



3.10. Annex 10. ANIMA Achievements in networking

Field	Achieved from 9/2002 to 5/2007	Impact
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Web site <a href="http://www.animaweb.org">www.animaweb.org</a></li> <li>• 14 newsletters in French &amp; English</li> <li>• Permanent news line on the MEDA region</li> <li>• Papers, articles, about MEDA and FDI</li> <li>• Press file and relationships, PR operations</li> </ul>	<ul style="list-style-type: none"> <li>• Over 60,000 web visits per month (invest+ country = ANIMA on 1st page for Google)</li> <li>• 3,000 readers of ANIMA news</li> <li>• Wide media coverage of ANIMA</li> </ul>
<b>Conferences</b>	<ul style="list-style-type: none"> <li>• 5 high level annual ANIMA Conferences</li> <li>• ANIMA participation in Euromed Working parties</li> <li>• ANIMA presentations in Conferences by ASCAME, Unimed, WAIPA, EIB, World Bank, UMCE, MEDEF, Cofindustria, Eurada, ISSM-CNR, IEMed, CRPM, CCI-Milan etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional promotion (search for partners, sponsors etc.)</li> <li>• Strong links with multilaterals and private sector</li> <li>• Debate about the future ANIMA mutual tool</li> </ul>
<b>Launch of new forums</b>	<ul style="list-style-type: none"> <li>• 2 high level Mediterranean Business Summits with The Economist</li> <li>• 3 Mediterranean workshops during La Baule World Investment Conferences I, II and III</li> <li>• ANIMA co-organiser of Medinnov I and II</li> <li>• ANIMA co-organiser of Euromed Capital Forum I</li> </ul>	<ul style="list-style-type: none"> <li>• Dissemination of ANIMA message about MEDA opportunities</li> <li>• Global participation of 25 Ministers and 50 CEOs and managers</li> <li>• Institutional and media coverage</li> <li>• ANIMA perceived as the Mediterranean FDI 'natural partner'</li> </ul>
<b>Implementation of a perennial co-operation platform</b>	<ul style="list-style-type: none"> <li>• 2 evaluation reports about ANIMA (Souss, Atos Origin)</li> <li>• Search for a political agreement between Euromed countries</li> <li>• Search for partners and sponsors</li> <li>• Incorporation of a shared structure (Association)</li> <li>• Legal, financial, practical set-up of ANIMA Inv. Network</li> <li>• Transfer of all ANIMA assets from AFII</li> </ul>	<ul style="list-style-type: none"> <li>• Effective launch of a new co-operation platform by 20 organisations in 14 countries (Nov. 2006)</li> <li>• Strong political support obtained (some MEDA countries, Marseille,...)</li> <li>• Good links with multilaterals and private sector</li> <li>• Budget, team and tools in place for 2007</li> </ul>



3.11. Annex 11. ANIMA Achievements in investment promotion

Field	Achieved from 9/2002 to 12/2004	Impact
<b>Investment intelligence</b>	<ul style="list-style-type: none"> <li>• Mediterranean Investment Project Observatory (MIPO)</li> <li>• Around 2,500 FDI projects detected to date</li> </ul>	<ul style="list-style-type: none"> <li>• Economic intelligence</li> <li>• Knowledge of the FDI market (sectors, investors' origin etc.)</li> </ul>
<b>Studies and other data bases</b>	<ul style="list-style-type: none"> <li>• 20 sectoral or strategic studies (textile, automobile, technoparks etc.)</li> <li>• MIPO annual report</li> <li>• Benchmarking of MEDA IPAs</li> <li>• Investment climate scoreboard and charter</li> <li>• Data bases on project leads, experts, events, news, contacts</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of MEDA performances and corrective action</li> <li>• Identification of opportunities and niches</li> <li>• Preparation of actions (e. g. MEDA Investment Charter)</li> </ul>
<b>Promotion documents</b>	<ul style="list-style-type: none"> <li>• ANIMA flyer, card, file etc.</li> <li>• Exhibition equipment (kakemonos etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Stands in numerous conferences</li> <li>• Wide contact data base</li> </ul>
<b>Participation in Euro-Med commercial events</b>	<ul style="list-style-type: none"> <li>• 24 Euromed events: Franchise Forum-Barcelona; SIAL Agrifood-Paris; Anuga Agrifood Fair-Köln; Agri-tech -Israel; World Summit on Information Society-Tunis; Call Center Forum-Birmingham; AMI Mediterranean Convention-Marseille; Free zones Conv. Brussels; UMCE Competitiveness Forum-Palermo &amp; Valencia; World SME Forum-Israel; Intégrales de l'Investissement-Rabat; Forum de Carthage-Tunis; Egypt Invest-Cairo; World Investment Conference-La Baule etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Methods for generating leads</li> <li>• Preparation of selling points, road shows, promotion docts</li> <li>• Hundreds of contacts</li> <li>• EU missions to MEDA countries</li> </ul>
<b>Initiatives (examples)</b>	<ul style="list-style-type: none"> <li>• Génération Méditerranée (re-investment by Diasporas)</li> <li>• Road-shows in EU countries (Italy, Spain)</li> <li>• MedIntelligence and MedFranchise</li> </ul>	<ul style="list-style-type: none"> <li>• Good results in Malta, Egypt (Génération Méditerranée), Morocco (MedFranchise), etc.</li> </ul>