The Pulse of SYRIA at the beginning of this millennium
Estimeed subscribers,

As we have briefly informed you previously, a delegation from INGEPO Consulting company went to Syria between April 18 to 24 2008. The mission was formed by Corneliu PIVARIU – Chairman & CEO, member of London International Institute for Strategic Studies (IISS) and Ambassador Professor Dumitru CHICAN – Regional Director for the Middle East.

The objective of the visit was updating the information file on this country, knowing first-hand the political, economic and social situation in Syria, and also the way main regional issues are perceived in Damascus.

The schedule was extremely busy and it included meetings with first-rank officials from among the Syrian political leaders (in alphabetical order): Dr. Najah al-Attar – Vice-president of the Republic; Mohsen Bilal – Minister of intelligence; Dr. Mohammad al-Husseini – minister of finances; Mohammad al-Khneiffis – Public Relations Director of Quneitra Governorate; dr. Amer Hosni Lutfi – Minister of economy and commerce; Dr. Saa’adallah Agha al-Kala’a – Minister of tourism.

The delegation was also received by Hazim – the Patriarch of Antioch and the Entire East (the third oldest orthodox church in the world), as well as by the Great Mufti of the Republic – Ahmed Bader Aldin Hasun.

For a better knowledge of the domestic situation in Syria and the local perception on the regional issues, other meetings were scheduled with Syrian non-governmental organizations, centers for strategic studies, important journalists and businessmen.

INGEPO Consulting delegacy received assistance and support to organize this mission from the Ambassador of Syria in Bucharest – Dr. Walid Otman, the Syrian ministry of intelligence and the Romanian Embassy in Damascus, and we use this occasion to thank them all.

The two members of the delegation have worked over a decade in Syria and the Middle East, so their expertise has facilitated a better understanding of the current situation in Syria and in the region.

The main events on this occasion, plus additional data already existent in our database are available for the subscribers in this special issue.

Corneliu PIVARIU – Chairman & CEO INGEPO Consulting, member of the International Institute for Strategic Studies- London
# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Editorial - APRIL 17TH– THE SYRIAN INDEPENDENCE DAY</td>
<td>4</td>
</tr>
<tr>
<td>SYRIA</td>
<td>5</td>
</tr>
<tr>
<td>Geography, climate and vegetation</td>
<td>5</td>
</tr>
<tr>
<td>Population, religion</td>
<td>6</td>
</tr>
<tr>
<td>Short interview with Honorable Ahmed Badr Ed-Din Hassoun, Grand Mufti of Syria</td>
<td>7</td>
</tr>
<tr>
<td>Interview with Allhappy Father Hazim, Patriarch of Antioch and the Whole East</td>
<td>8</td>
</tr>
<tr>
<td>History</td>
<td>10</td>
</tr>
<tr>
<td>Economy</td>
<td>12</td>
</tr>
<tr>
<td>Interview with H.E.Dr. Amer Hosni Lutfi, Minister of Economy and Trade</td>
<td>14</td>
</tr>
<tr>
<td>Excerpts from the discussions held with dr. Mohammad al-Husseini, Minister of Finance</td>
<td>18</td>
</tr>
<tr>
<td>Agriculture</td>
<td>19</td>
</tr>
<tr>
<td>Industry</td>
<td>20</td>
</tr>
<tr>
<td>The Tourism</td>
<td>27</td>
</tr>
<tr>
<td>Excerpts of the discussions held with H.E. Dr. Sa’dallah Agha Al-Qala’a, Minister of Tourism</td>
<td>27</td>
</tr>
<tr>
<td>The External Trade</td>
<td>28</td>
</tr>
<tr>
<td>Political system</td>
<td>29</td>
</tr>
<tr>
<td>Armed forces</td>
<td>32</td>
</tr>
<tr>
<td>Syria's relations with the E.U.</td>
<td>34</td>
</tr>
<tr>
<td>Talks with Dr. MOHSEN BILAL, Minister of Information</td>
<td>36</td>
</tr>
<tr>
<td>Brief History of Syrian-Romanian Diplomatic Relations</td>
<td>38</td>
</tr>
<tr>
<td>Interview with HE Walid Othman</td>
<td>40</td>
</tr>
<tr>
<td>The Ambassador of the Syrian Arab republic to Bucharest</td>
<td></td>
</tr>
<tr>
<td>Interview with H.E. Dan Sandovici, Romania’s Ambassador to the Syrian Arab Republic</td>
<td>43</td>
</tr>
<tr>
<td>Interview with Anton Costescu, Minister counselor, Emabassy of Romania Damascus</td>
<td>44</td>
</tr>
<tr>
<td>Instead of conclusions</td>
<td>46</td>
</tr>
<tr>
<td>A great Lady of Culture and dialogue: Dr. Najah Al-Attar, Vice-president of the Syrian Arab republic for Cultural Affairs</td>
<td>47</td>
</tr>
</tbody>
</table>
On April 17th, Syria celebrates each year the Independence Day, on which the last French soldier left its territory, in 1946, acknowledging in fact its independence - first proclaimed in September 1936, then in January 1944. The independence is the outcome of long and bitter fights, of numerous campaigns in which thousands of heroes lost their lives. This fight was inspired by the vision for the Arab unity, being marked by patriotism and national spirit towards the liberation from the French colonial regime. As a matter of fact, this historical accomplishment is integrated in modern Middle East history, when in a first stage, after the end of the First World War, the Ottoman domination was abolished and after the Second World War, the acknowledgement of the Syrian independence is one of the main events which anticipate the dissolution of the French-British colonial Empire, marked in the end by the war over the Suez Canal in 1956 and by the inception of the two superpower domination, the USA and USSR.

We remind you that after numerous bloody fights and other internal conflicts with the colonial power, there were several rounds of negotiations with France, in which Syrian patriots insisted upon the uniform acknowledgement of its independence, denied by France that wished to maintain a certain authority in some areas of the country. In September 1936, a French-Syrian treaty was signed acknowledging the Syrian independence principle, stipulating that after its ratification, the systems of a fully independent state would be established over a period of three years. However, other related documents preserved important economic and military rights for France. Syria continued to undergo a fast political evolution, the target of achieving independence being delayed by the Palestine situation, the Turkey crisis regarding the status of the Hatay province with its headquarters at Iskenderun (Alexandretta in Greek) and France’s failure to ratify the Treaty.

In 1941, new riots took place which force the Vichy regime, represented by the High Commissioner, General Dentz, to promise the reassignment of self-government prerogatives, but, during the same year, General Catroux, in the name of the Government of the Free France promised the cessation of the French mandate and the granting of independence, formally acknowledged in September 1941, but in fact, the power was not transferred. It was not until August 1943, after the elections, that Shukri al-Kuwatli was appointed President of the Syrian Republic.

A gradual transfer of power and control over the public services occurred towards the Syrian party, but the conflicts between the nationalistic forces and the French special troops recommenced. Supported by the newly founded Arab League, Syria refused the French proposal to close a new Treaty, as a condition for the final transfer of the military and administrative power, held by France until then. In May 1945, new disturbances and powerful conflicts occurred and on April 17th 1946, the last foreign soldier left Syria, the country thus having achieved full independence.

According to Sultan Basha Attrash- „freedom is conquered, not given”, many political and military personalities made the supreme sacrifice for achieving this desideratum. The space is too small to mention all of them, but we cannot overlook Yousef al-Azmeh, hero of the Maysaloun battle and martyr; the freedom fighter (mujahedin) Sheikh Salih al-Ali; Sharif Hussein Ben Ali; Ibrahim Hanano and many others.

The patriotism proved by them and their sacrifice represented a major cornerstone to the evolution of today’s modern and independent Syria.

Corneliu PIVARIU
**Syria**

**Official Name:** THE SYRIAN ARAB REPUBLIC

(al-Jumhuriyyah al-‘Arabiyyah as-Suriyyah)

**Location:** in Southwest Asia

**Neighbours:** Turkey to the north, and northeast, Iraq to the east, Israel to the west, Lebanon to the southwest, Jordan to the south and the Mediterranean Sea to the West.

**Surface:** 185,180 square kilometres (land: 184,050 square kilometres; water: 1,130 square kilometres; 1,295 square kilometres are occupied by Israel in the Golan Heights)

**Demographics:** 19,314,747 inhabitants. Density of population: 90.3 inhabitants / square kilometre.

**Capital city:** Damascus (Arab name Dimashq, Ash-Sham)

**Form of government:** presidential republic

**Administrative divisions:** a municipality (Damascus) and 13 districts (Al Hasakah, Al Ladhiqiyyah (Latakia), Al Quayatirah (Quneitra), Ar Raqqah, As Suwayda, Daraa, Dayr az Zawr Deir Ezzor), Halab (Aleppo), Hama, Hims (Homs), Idlib, Rif Dimashq (the agricultural area around the capital city), Tartus.

**National holiday:** April 17th (celebrating the proclamation of the independence al-jala’ - 1946)

**Official language:** Arabic. Unofficially, in a small area, the ancient Aramaic language – said to have been spoken by Jesus Christ, is used.

**Literacy rate:** 74.4%

**Currency:** 1 Syrian Pound = 100 piastres

**GDP:** 24,260 million USD (according to 2006 statistics)

**GDP per capita:** 4.100 USD (according to 2006 statistics)

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**THE SYRIAN ARAB REPUBLIC**

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**CLIMATE AND VEGETATION**

The Climate in Syria is subtropical, with hot summers and mild, humid winters; the rainfall vary between 1,000 mm / year on the western side of the Anti-Lebanon Mountains and less than 150 mm / year in the Syrian Desert. The average temperature is 32°C in summer, 10°C in winter and 22°C in spring and autumn.

The vegetation is extremely rich in the west (the green area on the map) where eucalyptus, palm trees and cypress grow. This area is also known for the growing of cereals (wheat, barley, and corn), sunflower, fruit trees (orange trees, mandarin orange trees, banana trees, fig-trees, olive trees) and coffee trees. There are many cotton fields.

Next, there are the predominantly grassy areas (xerophytes, most of them), covered with poor vegetation and used, mostly as meadows.

The forest (pine, oak etc.) are very few, stretching over 3 % of the territory.

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THE SYRIAN ARAB REPUBLIC

POPULATION
The population (according to 2007 statistics) is about 19,314,747 inhabitants.

The population structure in age brackets can be presented as it follows: 0 -14 years old: 36.5% (3,633,562 men, 3,423,435 women); 15-64 years old: 60.1% (5,952,275 men, 5,664,236 women); 65 years old and over: 3.3% (303,346 men, 337,893 women).

The average age of the population is 21.1 (men: 20.9, women: 21.2 years old). The birth rate is 27.19 in a thousand inhabitants and the death rate is 4.74 in a thousand inhabitants. The hope for life is 70.61 years old (men: 69.27 and women: 72.02 years old).

The ethnic groups: Arabs: 89.3%, Kurds 7%, Armenians 2.7%, Turks, Turkmen and others.

Major cities: Damascus (4.5 million inhabitants), Aleppo (3.7 million inhabitants), Homs (1.6 million inhabitants), Hama (1.4 million inhabitants), Idlib (1.3 million inhabitants), Al-Hasakah (1.2 million inhabitants), Deir Ezzor (1.1 million inhabitants), Latakia (0.6 million inhabitants) etc. The figures represent the population in the cities and in the urban area adjacent to them.

Syria’s population has grown by 311% in the last 45 years. In 1960 there were only 4,620,000 inhabitants. Then, a spectacular growth was recorded: 6,380,000 inhabitants in 1970, 8,980,000 inhabitants in 1980, 12,800,000 inhabitants in 1990, 16,800,000 inhabitants in 2000, and more than 19,000,000 inhabitants in 2005.

RELIGION
The official religion in Syria is Islam. According to the current statistics, Syria’s population is religiously divided in: Sunnis Muslims 72%, Shiite Muslims 2%, Alawis 12%, Christians 10% (out of which 4% orthodox), druids 3%, Jews and others 1%.

The Alawis represent the most numerous religious minority in Syria. They are believed to be the descendents of people who lived in the region at the time of Alexander the Great.

For centuries, the Alawis have been the most exploited and discriminated minority in Syria. Most of them were servants and agricultural workers, working for the Sunnis owners of land. After the Alawi President Assad, came to power in 1970, the well being of the minority significantly improved. Many Alawis have attained power and prestige as military officers. The common Alawis are farmers or breeders, leading a nomadic existence in small families.

There are four alawi confederations in Syria, each of them divided into tribes: Kalbiyah, Khaiyatin, Haddadin şi Matawirah.

The Druze people are a closed community, with Shiite and Ismaelite origins, somewhere at the border of Islam. Their origin as a religious sect is supposed to have begun in the early 16th century, in Egypt, at the time of the Caliph Fatimid. Widespread by the Syrian Caliph’s disciples, the sect has quickly expanded, recruiting new adepts who withdrew in the mountain areas where they were protected against foreign invasions.

The Druze faith pays more attention to the moral obligations than to the religious practices.

According to their belief, women are equal to men, having even the right to divorce. Again, unlike Muslims, Druze people do not practice polygamy.

There are about 250,000 Druze people living in Syria (and there are other Druze communities living in Lebanon – 150,000 and Israel – 30,000).
THE SYRIAN ARAB REPUBLIC

Short interview with Honorable
Ahmed Badr Ed-Din Hassoun, Grand Mufti of Syria

GP: How do you assess today, Honorable, the contemporary Islamic re-emergence? How much of it belongs to the fundamentalism?

Grand Mufti: You are press, newspapers people. For me the press is not a profession but a message conveyor. The difference between profession and message in the newspaper business is that a simple clerk will write whatever his superior dictates or asks him to do while in the press the true journalist is a conveyor of vivid messages. The first journalists were the prophets who conveyed with sincerity God’s message. We, in Syria, consider that in the relationship between religion and civilization there are no different civilizations but a single one we are building it up together. Man is building up everywhere a civilization called the human civilization. We, through our cultures, through the sciences we are practicing are nourishing this civilization. There is a Romanian culture, a Syrian culture, an American culture but one single human civilization. Those who landed on the Moon are nor the Americans neither the Russians but Man. With NASA there are 20,000 people out of whom only 2,000 are Americans while the others are from all countries. It was the same with the Soviet Space Agency which had specialists of 18 countries, including the former Soviet Republics. This is why we consider Man landed on the Moon and not some nationalities.

There is but one human civilization, so civilizations cannot come into collision it is the cultures that collide. Civilization comes into collision with the ignorance. We should change that idea of civilizations coming into collision with chancing of cultures. Huntington spoke about man’s terrorism against man. He divided the world into masters and slaves by considering that Syria, Romania or the countries of South-East Asia are underdeveloped and under civilized countries. The Americans are civilized while the others struggle to become civilized. What is religion’s role in this conflict? Religion gives the civilization its moral character. We could accept there are three different religions. This is a question we are addressing to the clerics or, let say, to specialists, be them Muslims, Christians or Jews. As the civilization is unique, built up by man, so unique is the religion. Abraham, Moses, Jesus or Muhammad built up this religion that developed later on. There is no conflict neither in the Old Testament nor in the New Testament and nor in the Koran, but moral and integration. Man and God are in everything. That is why we believe there is one civilization, one religion. Civilization is nourished by culture. The unique religion represents divinity’s unique teaching, the divine law. All these diverging things we are today witnesses of between the moderates and the extremists and between the laymen and clerics are not a religious conflict but a political one dressed in religious garb. What are called religious war are political wars as is Israel’s problem. Jews want to return to the lands of their ancestors. You cannot do that by killing your brother. In such a way we may reach the global chaos. It is what the Americans call the constructive chaos or constructive anarchy.

GP: How can religion contribute to improving the international climate, to avoiding the risk of chaos and conflict?

GM: In the era of globalization, of scientific development and IT&T the world is breaking up, is returning backwards by dividing itself in religious, ethnic minorities or majorities. It is only the
Interview with Allhappy Father Hazim, Patriarch of Antioch and the Whole East

GP: Allhappy Father we are coming from a country which morally and historically is deeply rooted in the Christian Orthodoxy and which, for half a century was deprived of its spiritual natural customs and of its connections with the universal religiosity. On the other hand, the eastern Christianity was born in this area where Syria held a remarkable role in spreading and prospering it. What are the dimensions and the institutional structure of the contemporary Christianity in the Arab-Islamic world in general and in Syria in particular?

AFH: We are talking about Syria and Lebanon, while the others talk of their topics. As far as we are concerned, we have in Syria Catholics, Orthodox and Protestants as they are in all Middle Eastern countries.

Syria was an area of missionaries and they came from the West but here the main confession remains the Orthodoxy. The Christian is an ordinary citizen; one does not make any distinction between its Christian beliefs and the quality of being a citizen. The state does not take any special measures concerning the Orthodox or Christians because they are Christians. We are subjected to God only, we do not have political parties because we were raised in this faith, we were born here, we did not come from abroad, we are not a tribe. Numerically we are a minority, all Christians are a minority. The majority is represented by Islam. We have our own special law governing the church matters which is in fact a customary rule observed by the state which does not interfere in our own affairs (that is marriages, messes etc). We do not have deputies or representatives in the executive or legislative authorities. A Chris-
tian is a citizen as any other who runs for a candidate. Sometime he may become a prime minister, a minister or deputy in accordance with the results of the ballot as it is the case with the whole population.

We still have some institutions of our own, others have been nationalized. As far as the confession is concerned, our schools and churches are not subjected to pressures, we have our own structures and nobody is dictating us. We are making our decisions, our own programs and have our own tribunals. These tribunals judge marriages, relationship between man and wife. Judgments are final and applied without any comment. We, our courts and the judges do not have any connection with the state, except for the head of state personally. Any decision made by the tribunal is acknowledged.

The President transfers his authority to the prime minister because he does not have always the time to discuss with the Christians and thus empowers the prime minister.

Our tuition programs are made and supervised by the state but we are choosing and appointing the teachers, taking into account that in Syria religious education in schools is compulsory. As far as religious teachings are concerned, we make these programs and directions which are afterwards presented to the state and sent to all Christian schools where the religious education is undertaken.

The privileges granted by the state to the mosques as religious institutions are equal or identical to those granted to us (free water and electricity and other services).

**GP:** What is the number of Syria’s Christians?

**AFH:** They say, without being confirmed, that all Syria’s Christian confessions represents 10% of the population.

**GP:** How are the Christians treated in a Muslim country?

**AFH:** We, our churches and our establishment live since a long time. It has never happened that a church be demolished. All in all we have 11 churches in Damascus. Nobody interferes in our religious affairs and I mean the official, legal side of the matters. There are here a lot of extremists; there is the escalation tendency, fanatics, an attempt of an increased Islamic intervention from abroad.

**GP:** Today in a globalization era there is an ever spread discussion about the religious dialogue and about conciliation among spirituality and cultures. What chances do you see for this dialogue and to what extent are you committed in its achievement?

**AFH:** We are living in an Islamic country. One could have a theoretical or intellectual dialogue as is the case in your country. We are living in a Muslim country and hence the nature of the dialogue. One goes to the market place to buy something from a Muslim vendor but cannot start a dialogue about Koran. He will tell that it is forbidden to talk on the street about confessional differences. As far as globalization is concerned, in terms of communications, it comes on us directly and you have to accommodate with it. After the Easter, I will have a conference at the Islamic Club, but that will be uttering of words, not a discussion because it is not aloud to have a theoretical discussion about the Muslims. It is a matter of dialogue. Islam, the Muslim is free to do whatever he wants, to believe in it, to observe it but there are fanatics. I am talking about persons representing that religion. As it is our case, there is the pluriconfessionalism, everyone makes his option but no one is obliged to exert pressure to convert people as is the case with the Muslims. If we are asked, we give answers.

Muslims consider Islam to be the unique and absolute truth. He is free to believe
On the territory of present-day Syria, there was one of the most ancient cradles of civilization in the Near East; its development had a close connection to the Mesopotamian and Egyptian civilizations.

Nucleus of the Seleucid Kingdom (300 – 64 BC), Roman province and then Byzantine, Syria was conquered in 634 – 626 by Arabs and became the centre of the Arab world, establishing the caliphate Omayyad capital city at Damascus (661 – 750).

Syria was then conquered by the Egyptian Mamluks (1260 – 1516) and afterwards it was absorbed into the Ottoman Empire (1516 – 1918) where, along with the present-day Lebanon, it formed the Vilayet of Syria. On June 10th 1918 the great rebellion of the Arabs against the Turkish occupying forces started and by the end of 1918 the whole Syrian territory was freed; the Ottoman Empire capitulated to the allied French-English troops.

By virtue of previous promises of the French and English Governments, a national Arab congress established on March 20th 1920 the independent Arab Kingdom of Syria under the emir Faisal who was proclaimed Monarch. However, the eastern powers did not agree and asked for the territories that had been under Ottoman domination to be placed under English or French supervision. Following this arrangement, Syria and Lebanon were put under French mandate and French occupation troops were immediately sent in the area. On July 24th 1920, at Meysalun there was a clash between the French forces and the Syrian very young army led by Yussef Al-Azme. The French troops won the battle, occupying Syria for the next 26 years: they were not to leave the country until April 1946.

In June 1939, France ceded the province of Alexandretta to Turkey. On September 27th 1941, General Catroux recognized, in the name of France, the independence of Syria and the end of the French mandate. However, by the end of World War II, France tried to regain a privileged position in the area, in the conditions that in force during the mandate. Another armed conflict took place and on May 29th 1945, the French troops bombarded Damascus. The situation is handled by the UN, which decides the evacuation of foreign troops from Syria and Lebanon. On April 17th, 1946 Syria officially proclaimed the independence and at the same time, the French mandatory troops were evacuated. This day was to become the national holiday of the Syrian Arab Republic.

On March 30th 1949, a putsch took place under the Kurd Colonel Husni Al-Zaim who proclaimed himself head of state. Another four months later, there was an identical putsch following which General Sami Al Hinnawi seized power. Colonel Chichakli, who had disbanded the parliament and forbidden the activity of all political parties, soon alienated him and proclaimed himself president of the Syrian Republic. He has kept power for 3 years and then he has resigned. In 1950, the country had again a normal political life, and new forces and alliances started to establish themselves, all dominated by National Progressive Front, a political alliance in which the Baath Party appeared to be the leader. The front was to win the 1957 elections and under the East’s growing pressure, was about to decide, in February 1958 the amalgamation of Syria and Egypt in one state called the United Arab Republic; this forced union lasted until 1961.

The next two years were quite dim, with coups d’etat and counter coups d’état that paved the way for the rebellion from March 8th, 1963.
This event prepared the ground for a long governance period for the Socialist Arab Baas Party; its members have initiated a Pan-Islamic, radical orientation policy which immediately materialized in an ample agrarian reform and in the nationalization of the industry.


In 1971, when General Hafez Al-Assad came to power in his capacity as President of the republic, Syria ended a long period of political instability and became an active factor as part of the front of Arab states. Starting with 1976, at the Lebanese government’s request and under the aegis of the Arab League, Syria committed troops to Lebanon, thus becoming little by little the arbitrator of the internal conflicts in this country. In 1991 Syria and Lebanon signed a fraternity treaty. However, Syria will completely withdraw all the military forces sent to Lebanon in April 2005.

After having supported Iran in the conflict with Iraq (1980 – 1988), Damascus joined the coalition against Iraq constituted by the USA in the Gulf War in 1991, which allowed Syria to improve its relationships with Egypt and the USA. The country also participated in the reopening of the Arab Israeli negotiations in Madrid (October – November 1991), hoping to come to an agreement that would see Israel withdraw from the Golan Heights occupied in 1967. The Syrian Israeli negotiations concerning the Golan Heights were suspended in 2000.

After Hafez al-Assad’s death on February 2nd, 2000, his son Bashar al-Assad became the leader of the Baas party, the commander-in-chief of the armed forces and the president of the state, recognized by the plebiscite in July 10th, 2000, for a seven-year mandate. He was re-elected, through the same procedure, in 2007.

**CULTURE**

For 2008, Damascus was declared “cultural capital city of the Arab world”, as a proof of the interest that the authorities, the cultural elite and the ordinary culture creator demonstrate towards this fundamental field of the social and spiritual life.

A proof sustaining what has just been said is the fact that Syria has a Vice-President of the state, who is exclusively in charge of handling cultural issues; at the same time, the chief of the state, President Bashar Al-Assad, has a presidential literature adviser, namely the famous novelist Colette Khouri.

The culture on Syria’s territory has old roots in history. In the 14th century BC, the scribes in Ugarit created the first known alphabet, using cuneiform characters and organized the way it is nowadays. The researchers talk about a level of cultural development that competed with the one of Mesopotamia and Egypt; later on, it had connections with the Hellenistic and Roman cultural areas. Cicerone was one of Antiochus’ of Ashkelon disciples, in Athens, and the writings of Posidonius of Apamea have influenced Titus Livius and Plutarch’s thinking and work.

Settling for 90 years (661 – 750) the capital city in Damascus, the Omayyad Caliphs have encouraged the traditions and lifestyle of the Arab societies as well as the cultural borrowings from neighbouring empires - Persian and Byzantine, in particular.
Syria is a traditionalist society in which the family, the religion, the education, the self-control, and the respect for the others are considered fundamental values.

The interest towards arts and handicrafts is reflected in traditional costumes dances like Dabkeh and Al-Samah, as well as in the mastery of mosaic and arabesque, of wood with ivory intarsia, of bronze filigree, of oriental jewellery, of brocade, of Damascus fabrics.

The old houses in the old cities of Damascus, Aleppo, Homs, Hama etc. are kept and carefully looked after as a national, cultural patrimony. Moreover, for several years now, the authorities have been unfolding wide restoration and conservation programmes having in view the rich and old architectonic patrimony – bazaars, palaces, old dwellings, public baths, many of them already included in the universal patrimony protected by UNESCO – the archaeological sites of Ebla, Ugarit, Apamea, Palmyra, etc.

At the former President Hafez Al-Assad’s initiative, the inestimable patrimony of rare books and manuscripts, spread in small public or private libraries was gathered in the modern “Al-Assad National Library” which, from the value point of view, stands comparison with the new Library in Alexandria.

Syria has a huge contribution to the revival and modernization of the Arab culture and literature, music, plastic arts, and the modern literature is proud of writers like Hannah Mineh, Suleyman Awwad, Colette Khouri, Adonis, Nizar Qabbani, Zakaria Tamer and many others.

Creators have their own professional creative unions, financially supported by the state. Damascus has a modern “Opera House” with an autochthonous Arab and universal repertory, and the “Town of Cinema Industry” will soon be opened. Romania and Syria have signed a Cooperation Agreement in the field of education, science and culture, renewed in November 2004, in Damascus.

**ECONOMY**

Syria’s economy, based on the public and private sectors functioning, is now in a state of transition; the country has a wide variety of mineral resources, the most important being the petroleum, the gases and the natural phosphates. There are also important deposits of chromium, manganese and iron, asphalt, salt, marble and plaster.

According to a high Syrian official’s statement, “Syria is the only Arab country able to eat, dress and warm up completely out of its own resources”.

In order to evaluate the present situation of the Syrian economy, a brief review of the last 50 years is necessary. Because of the conflict with Israel, the military expenditure of the young Syrian republic have reached, in the past, dramatic figures: 20-40% of the national budget. Then, in the 90s, the expenditure began to diminish, so that in 1999 they represented about 5.9 of the GDP (about 60 USD / inhabitant) compared to 8.9% (8.846 USD / inhabitant) in Israel.

During the 3 years of union with Egypt (1958 - 1961), the nationalization and the agrarian reform took place. After the disintegration of the union, the nationalization was cancelled and the agrarian reform was amended through several normative deeds meant to provide support for land owners.

In 1963, when the Socialist Arab Baas Party seized power, all the amendments to the agrarian reform were abrogated and the law became much stricter. In the same year, all the banks were nationalized, and in 1965 the industry and trade were brought under full state control.

After becoming head of state, in 1970, president Hafez al-Assad brought radical changes to the economic structure of the country, approving all necessary measures for the supremacy of the public sector. In 1971, several trade liberalization measures were adopted and the law of investments was promulgated.

The 1973 Arab Israeli war caused losses of about 1,800 million USD to Syria. Latakia, Banias and Tartous ports, that is to say Syria’s gates to the world were destroyed and the huge industrial complex from Homs, ensuring more that 40% of the energy requirements of the country had the same fate.

An ambitious program for the reconstruction of the country was conceived, including economy liberalization measures and encouragement measures for the autochthonous and foreign investors. Through huge efforts, by the
end of the 3rd five-year plan (1971 – 1975) a spectacular rehabilitation and an unprecedented economic growth were carried out successfully. The next five-year plan led to the consolidation of the state of affairs but, soon after, the first visible signs of an economic crisis began to appear.

The 80s have brought a worsening of the living standards as corruption tended to generalize and the management was flawed at all levels. The relationship between Syria and the Soviet Union appeared to be close, and it was formalized in the Treaty they signed in 1980. Syria was thus seen as a member of the ex-Communist camp, which worsened immediately the relationship with the United States and the European Community and led to the suspension of all aid programs they had been developing in Syria.

After the beginning of the hostilities in Gulf, Syria had the initiative and the courage to join the multi-national coalition led by the USA, thus becoming, according to authorized external observers’ appreciations, the most important regional beneficiary of the war: in 1991 the GDP grew by more than 5%.

Shortly after, Syria went through another major crisis: as the USSR had disappeared, Syria lost the main sale market and a quite generous support.

Between 1991 and 1995, Syria received external aids totaling more than 2,500 million USD.

When seizing power, Bashar al-Assad, an avowed supporter of the economic reforms and of the opening towards west (as he was educated in England), opened a new period of reflation, adopting measures that were very useful for all the fields of the economic and social life. Bureaucratic obstacles were removed and initiative in the private field was encouraged. The fight against corruption gained ground and almost all the customs fees were reduced in order to encourage production and export.

In July 2000 a governmental program, aimed at reducing the unemployment level through creating more than 440,000 new jobs, was launched.

According to the official statement of the Central Bank of Syria, the actual GDP growth between 2001 and 2006 was as shown in the table below:

<table>
<thead>
<tr>
<th>Details</th>
<th>Year</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual GDP growth</td>
<td>2001</td>
<td>6,8%</td>
<td>5,9%</td>
<td>1,1%</td>
<td>7,1%</td>
<td>5,2%</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>6,3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Looking ahead to the 10th “five-year plan” for 2006-2010 period, Syrian state planners have to make a difficult choice: either to continue in the rhythm and with the methods used until now - which would lead to a real GDP growth by 2.5 – 3.6 % (with mild social effects) or to adopt shock measures meant to accelerate the rhythm of the structural reforms and to consolidate the fiscal structure - which is painful, hard to bear and more likely to raise social protests and dissatisfactions but could ensure a growth percentage almost three times bigger.

As far as the degree of economic freedom is concerned, international specialized organizations have estimated it to be at 46.6%, which places Syria on the 144th position in the world and on the 15th position (out of 17) in the area.

The final assessment was made on the basis of the analysis of 10 economic measurements, as it follows:

- Business freedom: the degree of difficulty of the procedures concerning the set up, the development and the closing of a business: assessment: 52.9%
- Trade Freedom: the number and the level of fees, restrictions, corruption legal framework; assessment: 54%
- Fiscal Freedom: the value-added tax, the bureaucracy, the administrative impediments; assessment: 86.2%.
- Freedom from Government: the level of the governmental expenditures, the state involvement in the economy; assessment: 60.3%.
- Monetary Freedom: the inflation level, the price stability and the state control of prices; assessment: 66.2%.
- Investment Freedom: the holding level allowed, the possibility to repatriate the capital, the legislation in the filed; assessment: 30%.
THE SYRIAN ARAB REPUBLIC

Financial Freedom: the legislation and the bank regime, the public-private ration in the banking sector, the insurance sector; assessment: 10%

Property Rights protecting the property rights, the legislation and the attitude of the law courts in the property issues; assessment: 30%

Freedom from Corruption: the corruption level in each sector; assessment: 29%

Labour Freedom: work legislation, employment and redundancy legislation, work climate; assessment: 47.1%

As regards the use of the GDP, most of it goes to the administrative expenditure and covers the external trade deficit.

In a ranking of the economic competitiveness, drawn up by the World Economic Forum, Syria is on the 84th position out of 128 studied countries at a global level, and on the 12th position out of the 13 Arab countries. The weak points of the Syrian economy are the effectiveness of the market (the 114th position), the technology (the 109th position), and the innovations (the 99th position) as well as the education and training at a superior level (the 96th position).

Interview with H.E.Dr. Amer Hosni Lutfi, Minister of Economy and Trade

GP: What can Your Excellency tell us about the concept of social market economy promoted by your government?

H.E. Amer Hosni Lutfi: The decision of transforming the centralized economy into a social market economy has been made three years ago. That means we are still in a transitional period of creating or setting up the social market economy. We are building a new economic system based on three pillars: the first is the legislation, the second is made up of the institutions implementing it while the third are the mechanisms supporting the three directions. There are, so far, two ways only from passing from one economic system to the other, the first one being the shock therapy. We absolutely reject such a transition path as it provokes social catastrophes. As we are highly concerned of that aspect, we chose the second path, i.e. the gradual transition. We made the decision to take up the second alternative as it will finally provide for the optimum redistribution of the resources at the social level. This is precisely the level where we will apply the market rules only, highly taking into account every social effect of any of the legislative measures. I mean that the state will further hold and play an important role in the economic life through interventions so that it will distribute to the best of its abilities the national income.

We reached the middle of the transition period, the most difficult one as we have to face now market distortions strongly reflecting the social aspects.

GP: What are, in your opinion, the main reference points of Syria’s economic reform?

H.E.A.H.L.: We are starting, in whatever we do, from taking into account and preserving our interests. When the Czech Republic started its velvet revolution, I stated I have Ten Commandments to be offered to different countries and which I personally try to observe. On that time I wrote an article on those Ten Commandments resulted from the transition of the Czech economy. The
first and most important Commandment is “rely on yourself, do not rely on the support of others”. Coming back to your question, the economic reform should be comprehensive and complete. First, we have to address and reform the monetary policy and, at the same time, the financial policy. That means at the end of the day the fiscal and budgetary related aspects. Also, a very important point, we are tackling the complete reform of trade, mainly the foreign trade, the openness towards the outside world. All these reform mechanisms will not be valid and will not bring advantages unless they are perfectly matched and combined with prices and salaries policies.

The Third Commandment, through which we are confronted with a very serious issue, quite an objective one, is the way in which we are finely tuning the prices and the salaries. All these issues are difficult ones to solve, but they are quite simple when compared with the great issue of the welfare or the comfort of the population. So far, we did a remarkable job in the field of fiscal and monetary policies as well as in liberalizing our trade. We are now close to the moment we have to frontally address the issue of prices and salaries, the topics that are directly and strongly affect the population. This is why the government is facing strong criticism from the population who is complaining that we did not pay enough attention to the social problems. A fact that makes our life more complicated is the regional and world climate, which blocks our steps forwards, quite on the contrary of what happened in the East European states, where all foreign policies come across the wills of the respective states.

GP: Leaving aside the change in mentality that is possible only by generations over passing, we would like to detail to us a little the measures taken or which are to be taken.

H.E.A.H.L.: The rule in Syria was, so far, that everything is forbidden and what remains was an exception. I personally decided in my position that the rule be everything is permitted and the forbidden is an exception. I followed that way and I am convinced I'll reach the end. I tried to make a program for liberalizing the trade starting from the objective elements noticed within the Syrian economy. I strongly wish that trade liberalizations go hand in hand and in the same time with monetary, financial and fiscal liberalization so that everything is in harmony and does not contravene Syria’s commitments within the free trade agreements we signed. I proposed to myself and God’s willing we will issue at the end of this month the negative list containing goods which import is prohibited based on environment, security, moral or religious reasons. That list will be a 9 pages long one.

As far as foreign trade is concerned, in 2004 the volume of Syria’s exports was of 4 billion US dollar out of which 70% were petroleum products. The same year, we imported goods worth 4 billion dollar also. In 2007 our exports reached 14 billion dollar. Exports of petroleum products are low as our production is depleting but, at the same time, due to liberalizing our trade, we imported goods worth 15 billion dollar.

So we started from 9 billion dollar in 2004 and reached 29 billion dollar in 2007. That means the economic reform is underway.

GP: You were talking about the influence of regional and international conjecture on the economic development. We would like to ask you what is the impact of the sanctions imposed on Syria by the US?

H.E.A.H.L.: To say we are not affected by the sanctions would be an overstatement. The main effect of these sanctions, indirect ones, could be found in the huge pressure exerted by the US on our trade partners, mainly the European Union, and secondly, by a constant refusal of the World Trade Organization to accept our demand to join the Organization.

We have another problems connected to our trading area. For instance, what is happening in Lebanon strongly affects Syria. Such is the case with what is happening in Iraq or in Palestine. Why? Because Lebanon is our strategic depth and an extension of our natural economic environment. We cannot ignore Lebanon’s potential. All these aspects are stronger than the international pressures.

On the other hand, we have people inside Syria trying to stop the reform. Many believe it is a great mistake to adopt the market rules, the social market economy. That is quite normal; everywhere one meets resistance to change.

GP: What demarches would you exert, Excellency, to speed up beginning of negotiations to
THE SYRIAN ARAB REPUBLIC

will adhere to the World Trade Organization?

H.E.A.H.L.: First of all we are preparing ourselves very seriously to be ready to be admitted. Our demarche is oriented towards the group of independent countries members of the WTO, countries that can present arguments stressing that Syria is ready and, thus, those countries may lobby for our country being invited to start negotiations with WTO. We have established contacts with friendly countries to determine them to support our application.

On the home front, we organized several work shops, several round tables with a view to harmonize our laws with WTO rules and regulations. We set up a special department in our ministry, we sent young people abroad to attend courses enabling them to hold negotiations. We have contacts with Arab friendly countries and we asked them to cooperate in order not to repeat the same mistakes they made when negotiating. In short, we do whatever needed so that when our application is accepted to be ready to start negotiations.

GP: You mentioned several times your economic relationship with Iraq. What are the prospects of Syrian-Iraqi cooperation and, within this framework, if it is possible, to tell us what should the Romanian companies do to that purpose? As an example, recently some Turkish companies were surprised to learn that out of 35 accepted companies, their prequalification bids were rejected.

H.E.A.H.L.: Generally we are talking about political considerations. We had very useful contacts at the prime ministers’ level and at ministers’ level. There is good will there are good intentions. To be frank, Iraq is not a sovereign state. The political and economic decisions are not made by the Iraqi government but by the occupation force. That impedes on any good intentions of cooperation. The moment Iraq will become a sovereign state, then we could start things again and discuss all the agreements, all cooperation relations and there is a lot to do. We have good chances, our bilateral commercial exchanges are very important. To be sincere, nowadays discussions are conducted, in a confidential manner I would say, between the governments of the two countries in order to sign an Economic and Commercial Agreement on a long term, but in the framework of the relations between the United States and Iraq the US is doing its best to preserve and enhance its long term interests in Iraq and to pay lesser price in case of a withdrawal from this country.

GP: Syria as well as all Arab states members of the Arab League used for a long time a political instrument for protecting, directly or indirectly, its foreign commercial relations. We mean the Central Bureau for Boycotting Israel with its head quarter Damascus.

H.E.A.H.L.: Indeed, a body meant to protect the commercial interests of the Arab world has been created within the structures of the Arab League. It is a mean of pressuring Israel and tying to determine the Jewish state to adopt more flexible positions as far as the peace process in the region is concerned. It is the Central Bureau of the Arab League for Boycotting Israel. When a company or a firm from a certain country establish commercial and cooperation relations with Israel, that companies or firms used to be listed on a “black list” and all the Arab countries were informed about that. Based on the commitments made all Arab countries were obliged to stop any cooperation relationship with the foreign company or firm. Erasing the name of the company from the “black list” was possible only after the company presented official documents, stamped by the authorities and Arab embassies abroad proving that all relations with Israel stopped. If I remember well, certain Romanian companies were, at a certain moment, on the “black list” of the central Bureau.

Things have changed now within the framework of globalization and the unprecedented development of the cooperation and trade exchanges on the global scale. Boycott is not any longer the flexible and efficient instrument of protecting the Arab countries’ and Syria’s commercial interests. Therefore, the first and second degrees of sanctions were eliminated and we kept the third degree only which applies specially in exceptional situations with strong impact on the interests of the Arab world.

We hope will see the day when all boycotts, be it economic, political, cultural or whatever will be taken out of dictionaries.

Dr. Amer Housni LUTFI
Minister of Economy and Commerce
Born in Homs, in 1956
The Five-Year Plan 2006 – 2010

Syria adopted the five-year plan 2006 – 2010 by Law No. 25 from May 8, 2006. Its approval followed an ample consultation process involving governmental institutions, the Socialist Arab Baath Party and non-state actors, such as the Chamber of Commerce and Industry and the Parliament. Not least, the Government asked for the donor states’ advice.

At this stage, political reform does not represent a particular concern on the Government’s agenda which focuses almost exclusively on the emergence of local democracy.

In June 2005, the Congress of Baath Party approved a set of measures such as the relaxation of the Emergency law, changing the legislation concerning political parties and non-governmental organizations, as well as granting of citizenship to about 120,000 stateless Kurds; no specific deadlines for implementing all those measures were mentioned.

The five-year plan focuses mainly on the economic and social reform. Therefore, a number of innovative guiding principles have been established, such as: encouraging the partnership between the government, the private sector and the civil society, decentralising the decision-making process and the use of indicative planning.

The five-year plan is considered a first step towards implementing the government’s vision concerning the future of Syrian society. Within the next 20 years, Syrian society is expected to rely on its own resources and to be open up to the world, to become a modern and democratically mature society, with an effective institutional system that would ensure the environment required for a sustained development and an economic growth.

Long-term objectives include social justice and welfare, as well as empowering women in society.

The plan starts from the achievements of the previous plan and it is supposed to mark the transition to a social market economy. The economic policy will rely on market mechanisms of supply and demand in order to carry out a more efficient distribution of resources and economic activities, but will continue emphasizing the government involvement.

The government will no longer dominate and control investments and trade activities, but will work for the creation of an environment favourable to free initiative and competitiveness, ensuring, at the same time, that all market players know and respect their responsibilities.

The governors acknowledge that they will not be able to implement the new policy unless there is a strong partnership between the government, the private sector and civil society. The central government must clearly state long-term strategies, uphold economic, political and social rights and provide quality services, as well.

Abandoning centralized planning implies decentralizing the decision-making process. Local governments must take part in the drawing up and in the implementation of the local and national plans and organize local society, in collaboration with the private sector and civil society representatives.
The private sector will have to increase production, investments and its contribution to state revenues, and to make all the efforts in order to establish equitable relations between employers and employees.

Another priority of the Five-year plan is promoting the role of the private sector as an engine for economic growth. The plan is intended to create an optimal environment for private business activities, channel the population’s savings towards the active participation into investments and productivity, attract foreign direct investments and encourage the private sector to directly participate, throughout the institutions, in the economic growth process (by creating an export promotion agency, for example).

The economic primary objectives are aimed at obtaining an annual growth rate of 6 - 7 %, and the doubling of the individual income. These goals can be achieved only if the industry is modernized, so that, by the end of the period, the industrial sector contribution to the GDP should increase by 20%.

The economic reform is a major concern of the five-year plan also because after 2001 the economic opening towards the free market and the contribution of the companies to the state development did not make significant progress.

Macro-economic policies will seek to maintain international trade at an acceptable level and reduce the commercial deficit and the deficit in the current account by varying exports both in terms of geographical area and in terms of commodity (increasing non-petroleum exports, for example). The goal is to provide stability to the exchange rates and a good management of the export sector, in accordance with the terms established by the EU – Syria Association Agreement, the World Trade Organization and the GAFTA.

In drawing up the five-year plan, the need to increase the economic growth rate and the GDP volume was taken into account, but the priority was given to the motto: “Human development first and nothing less”.

The government has stated that the achievement of high economic growth rates at the expense of social welfare or the environment must not be tolerated and that the creation of some social protection networks during and after the transition is fundamental to the reform strategy.

In line with the commitments to reaching the Millennium Development Goals, the government will give priority to reforms in the education and health sectors, aiming to develop and spread general, vocational and technical public education. The government wishes to implement the principle of “education for everybody” and increase women opportunities to receive higher education. The reform of the education system is aimed at producing highly qualified labour force and adopting learning techniques based on dialogue.

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**Excerpts from the discussions held with dr. Mohammad al-Husseini, Minister of Finance**

In 1953, the Syrian banking and insurance systems were nationalized and become state monopolies. The liberalization of the two sectors started in 2004, with the first private bank. Now, the Syrian banking system has 6 state banks, 11 private banks and 2 Islamic banks (usually do not charge interests on deposits or borrowings). In 2006 as well, liberalization of the insurance system started and today there are only one state company, 6 private companies and 2 Islamic insurance companies.

The fiscal system was completely overhauled and the corporate taxation was reduced from 63% to 28% today. The tax on the personal income was also reduced from 48% to 22% taking...
into account that the starting level is 5% which is gradually raised.

A comprehensive reform of the custom taxes was carried out and now the highest custom duties are levied on cars (40% compared to 255% as it was before).

The average custom duty in Syria is 14% while for the raw materials and production inputs the level is 1%.

In spite of these huge reductions, the budgetary revenues increased from 1 billion dollar in 1990 to 3.5 billion dollar in 2000 and to 6.2 billion dollar in 2007 while all local fiscal pressures were diminished.

Fiscal reform meant also establishing a just fiscal base.

The GDP, which stagnated during 2000-2004 reached 5.1% in 2005 and 6.5% in 2007, when oil production and oil revenues are decreasing continuously.

Syria gave up also the parallel exchange rates and unified them (there were 12 such exchange rates at the time). It also pegged its currency to a basket of currencies directly connected to the SDR and its foreign reserves are now denominated as follows: 34% in US dollars, 44% in euros, 11% in British Pounds and 11% in Yens.

Syria has embarked on a program of diminishing the subsidies especially when the biggest amounts of state money go to subsidies on food and petroleum products. Coupons are still distributed for tea, edible oil, rice and sugar, while the diesel price in Syria was, when the discussion took place, 9 eurocents/liter – probably the cheapest in the world. Efforts are being exerted in order to eliminate the subsidies with the lowest possible impact on the needy.

**Dr. Mohammad Al-HUSSEIN**
**Minister of Finances**
*Born in Deir-Ezzor, in 1959*
*PhD in Economy, ASE Bucharest, 1986*
*Professor at the Faculty of Economics, the University of Aleppo*
*Member of the Regional Leadership of PBAS*
*President of the Bureau of Economics of the Regional Leadership of PBAS*
*Member of the Central Leadership of the National Progressive Front*
*Vice-President of the Council of Ministers for Economy Business, in the second Otri Cabinet, beginning with 13.12.2001*
*Governor allied with the IMF (International Monetary Fund), starting from November 4th 2004*
*Minister of Finance, September 18th 2003*
*His portfolio is kept with the first reorganization of the Otri Cabinet, on 4.10.2004, and with the second reorganization, on February 11th 2006*
*Married, with 4 children*

**AGRICULTURE**

The Agriculture continues to be one of the major fields of the Syrian economy. The agrarian sector accounts for almost a quarter of the total active population and generates about 30% of the GDP.

The only major problem Syria is confronted with is the fact that the arable land represents roughly about 32% of the total surface of the country (consult the chart below).

Another inconvenient is that only a small part of the arable lands are irrigated and the rest of them rely on nature’s caprices. According to governmental Syrian sources, in 2005 the irrigated surface was 1,425,811 hectares.

Syria’s surface is conventionally divided into five agro-ecological zones:

**Zone 1**: areas with annual rainfall over 350 mm; the surface of this zone is about 2,701,000 hectares (forming 14.6% of the country’s area); it is used for growing wheat, vegetables, fodder and technical plants, water melon, etc.

**Zone 2**: areas with annual rainfall between 250 - 350 mm; the surface of this zone is about 2,470,000 hectares (forming 13.3% of the country’s area); it is used for growing wheat, barley, corn, cumin, fodder and technical plants, leguminous plants, etc.

**Zone 3**: areas with annual rainfall over 250 mm; the surface of this zone is about 1,306,000 hectares (forming 7.1% of the coun-
try’s area); it is used for growing barley and certain vegetables.

**Zone 4:** areas with annual rainfall between 200 – 250 mm; the surface of this zone is about 1,833,000 hectares (forming 9.9% of the country’s area); it is used for growing barley and certain technical plants.

**Zone 5:** Desert and steppe areas; the surface of this zone is about 10,208,000 hectares (forming 55.1% of the country’s area); it is natural grazing for sheep and camels.

Along with petroleum, the cotton is the main agrarian product of Syria, producing most of the revenues from the export. Massive cotton growing started in 1949 (38,000 tonnes), and little by little reached higher figures (220,000 tonnes in 1954; 250,000 tonnes in 1970; 523,000 tonnes in 1984; 555,000 tonnes in 1991; 807,000 tonnes in 2003). In 2005, the 1,000,000 tonnes threshold was exceeded, but in 2006, because of the prolonged drought, the yield decreased to 686,000 tonnes and then to 650,000 tonnes, in 2007.

Another agrarian competitive product is the sugar beet. Crops have increased and decreased again, because of the changes in the weather evolution: 1.3 million tonnes in 1984, 412,000 tonnes in 1985, 457,000 tonnes in 1987, 422,000 tonnes in 1990, 1.4 million tonnes in 1992, 1.1 million tonnes in 1997, 1.25 million tonnes in 2004.

Wheat yield was 2 million tonnes in 1988, 3 million tonnes in 1992, 4.2 million tonnes in 1995, 3.1 million tonnes in 2000, 4.5 million tonnes in 2004 and de 4.9 million tonnes in 2006. In 2007, the wheat yield was 4.7 million tonnes.

Corn yield was about 190,500 tonnes in 2000, it increased up to 215,000 tonnes in 2001, and then decreased to 180,000 tonnes in 2004.

Tobacco yield significantly increased after 2000; in 2001 there were 28,900 tonnes, 25,600 tonnes in 2002 and 26,500 tonnes in 2004.

If in 1990, Syria produced only 171,000 tonnes of oranges, the yield increased up to 407,100 tonnes in 2000 and to 410,000 tonnes in 2004.

**INDUSTRY**

The industry became the main branch of the Syrian economy, starting from 1971: it contributed with 19.5% to the generation of the GDP, comparing with the 19.1 as was the case with the agriculture.

The industry developed then at a rapid pace; comparing with the constant level of prices during 1980, the marked growth was of 17% during 1984, of 5% in 1985, and of 33% in 1986.

The authentic growth of the industrial production was of 5.7% during the period 1990 – 1996. This resulted in 1999 in a contribution of 27% of the current market rates (representing the equivalent of 33.4% of the rates level in 1995) to the GDP realized by the industrial department. In 2003, the industry generated 28.6% of the GDP.

**Exploitation of the Natural Resources**

**2.1.1 The Exploitation of Petroleum**

Petroleum represents one of the great assets of Syria, which has contributed in a decisive way to reaching up to the present eco-
nomical level of the country. During 1951, Iraq Petroleum Co., one of the main groups who had obtained the rights to explore and exploit, stated that the country did not possess the natural resources that would justify beginning the work, and abandoned the project. During 1955, petroleum concession was given to an independent operator from the USA and to a West – German Consort. They have shortly discovered abundant natural resources in Karatchouk, Suweidiya and Rumelan.

In 1964, the Syrian State relinquished the concession rights and took all the petroleum related actions into the public sector. So that, during the following 10 years, all the exploration and exploitation works were exclusively led by the General Petroleum Authority and its offshoot, the Syrian Petroleum Company, both assisted by Soviet specialists.

In 1975, the Syrian Government was compelled to return to giving rights of concession for exploration and exploitation. Those who had then entered the market were the American Group called Tripco, then Shell (Syria Shell Petroleum Development), Samoco Development and Pecten Syria Co. In 1983, Rompetrol Romania, Marathon (USA), Royal Dutch Shell and Demirex (Germany).

In 1985, a joint venture was set up and called Al – Furat Petroleum Co., through the fusion between the Syrian Petroleum Company, Shell and Petro – Canada, which became and had maintained its role as the main actor on the Syrian petroleum market.

A strong wave of new investors arrived in Syria in 2003: Dublin (Canada), IPR (USA), Devon Energy / Gulfsands Petroleum (England), INA Nafta (Croatia), Tanganyika Oil Company (Canada), Zarubezhneft (Russia), and so on.

As a result of implementing the USA sanctions in May 2004, more corporations such as Exxon Mobil, Devon Energy, IPR, Conoco Philips and Veritas have left Syria. Practically, after this event only investors from Russia, China, South Korea, Japan, Iran and Saudi Arabia have remained in the country.

The Petroleum resources of Syria have been estimated at around 3 billion barrels by the Organization of the Petroleum Exporting Countries, and around 2.4 billion barrels by the EIA (Energy International Association). Among the richest petroleum exploiting fields are Deir Ez-Zor, Maleh, Qahar, Sijan, Azraq, Tanak, Jaffra, Al Izba and so on.

The petroleum production of Syria is represented in the table below.

<table>
<thead>
<tr>
<th>Details regarding the production of petroleum (thousand barrels per day)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>Gross petroleum production</td>
<td>532</td>
</tr>
<tr>
<td>Refining capacity</td>
<td>245</td>
</tr>
<tr>
<td>Quantity of refined petroleum</td>
<td>235.5</td>
</tr>
<tr>
<td>Gross petroleum export</td>
<td>346</td>
</tr>
<tr>
<td>Export value (USD millions)</td>
<td>2,163</td>
</tr>
<tr>
<td>Petroleum products import</td>
<td>21.0</td>
</tr>
</tbody>
</table>

As the results of this table are showing, the main problem which Syria has to confront is its own reduced capacity to refine petroleum. Syria owns two refineries: Banias (built by the ARCOM / Romania Enterprise in the period 1974 – 1979) and Homs, their total capacity of refining reaching 245,000 barrels per day. This is the reason why Syria is compelled to import refined petroleum products of approximately 20,000 – 23,000 barrels per day, with the numbers constantly growing.

The process of negotiations for building new refineries reached an advanced stage, as follows:

Al-Furoqlus, East from Homs: through a joint venture with National Iranian Oil Refining and Distribution Company / Iran (26%),
PDVSA / Venezuela (33%) and Bukhari Group / Malaysia (26%), with a refining capacity of 140,000 barrels per day; the value of the project has been estimated at 2.6 billion USD; the work should be finalised in 2011;

Deir Ez-Zor: in collaboration with Noor Financial Investment Company and Wood Mackenzie from Kuwait, with a refining capacity of 140,000 barrels per day; the value of the project has been estimated at 3 billion USD;

A refinery from an undisclosed location, in collaboration with China National Petroleum Capacity Trust, with a refining capacity of 70,000 barrels per day.

Transporting crude oil from the extraction areas towards the refineries is made through a network of oil pipelines of approximately 1500 km (with diameters between 40 and 75 cm). The most important pipelines are Tel Adas-Homs, Homs-Tartous, Al-Ward – T.2, Al-Team – T.2, Al-Jafra – T.2, Tartous-Banias şi Gambour-Banias.

Refined petroleum products are transported afterwards through a network of approximately 2100 km (with diameters between 40 and 60 cm).

### 2.1.2 The Exploitation of Natural Gas

The natural gas resources have been estimated by the Organization of Petroleum Exporting Arab Countries at 310 billion cubic metres and by the West at around 240 billion cubic metres.

The industrial exploitation of natural gas began only in 1990, with a daily realized production of approximately 16 million cubic metres.

The prospects have lead to the discovery of very important natural resources, especially in the region of Palmira (Arak, Ha'il, Dubayat), precum şi la Najib, Jibeissah, Sharif, Rassem, Abbas, Kom Abu Arabat, Rasif, Zamlakh, Suwaidiyah, Deir Ezzor, and so far.

The most important companies involved in the exploitation of natural gas are The Syrian Petroleum Company, INA Naftaplin (Croatia), Conoco-Phillips, Petro-Canada, China National Oil and Gas Explorations, Bonatti (Italy), MOL (Hungary), and Soyuzneftegaz (Russia).

In May 2006, Syria signed a contract with Marathon Oil, a company based in USA, valuing 127 million USD, for exploiting the fields at Al Shaer and Al Sharyfa from the region of Homs. In June 2006, Petro – Canada signed an association agreement with Marathon Oil.

Starting from 2003, the daily production has stabilized at the level of 22 million cubic metres.

The annual production of natural gas is represented in the table below.

<table>
<thead>
<tr>
<th>Details regarding the production of natural gas (billion cubic meters)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>The production of natural gas</td>
<td>5.6</td>
</tr>
</tbody>
</table>

According to the estimations of the Syrian Government, in 2010 the production will reach 37 million cubic metres per day, but the needs of the consumers will increase until then up to 40.7 million cubic metres per day, fact that will lead to the need of importing daily at least 3.7 million cubic metres.

For 2020, the estimations of daily consumption are 54 million cubic metres, fact that will lead to the need of importing approximately 17.7 million cubic metres per day.

The estimated sources of import are Egypt, Iran, Iraq and Russia. Starting from 2008, Syria will import natural gas through the gas pipeline called Arab Gas Pipeline, which would be able to supply daily 18 million cubic metres.

The main company for processing natural gas is the one located in Deir el-Zour, with a capacity of 13 million cubic metres per day. Here can also be processed approximately 5 million cubic metres of associated gases (different components) per day, brought from 22 different fields of extraction situated in the North – East, through a system of 180 km of pipelines, as well as 8 million cubic metres of the gases which are being treated and reinjected daily in the reservoirs of the field in Tabiyeh.

Here are also produced daily 19,000 barrels of components per day for treating the
crude oil as well as the entire quantity of liquefied petroleum gas used internally.

The company is being operated by the Syrian Petroleum Company and by the Syrian Gas Company.

Syria possesses a total of 5 gas processing companies (Deir el-Zour, Jbeisseh, Omar, Palmyra, și Suwaidiyah), while other 4 are estimated to be set up until the end of 2010.

2.1.3 The Exploitation of Phosphates

The exploitation of phosphates has begun during 1971, in the mines of Tadmur, the region of Palmira. As a result of the substantial growth of the phosphates prices on the international market, Syria tried to increase its productivity, declaring its intention to reach 5 million tonnes per year in 1985.

First, they built one of the largest chemical plants in the area, the Triple – Super Phosphate Complex in Homs, with a nominal capacity of 450,000 tonnes of triple – super phosphate and 800,000 tonnes of phosphates and phosphoric acid per year. The construction was realized by a trust from Romania.

The production was actually much below the expectations: 1.46 million tonnes in 1982, 1.23 million tonnes in 1983, 1.51 million tonnes in 1984 and only 1.21 million tonnes in 1985. Only in 1987 they reached up to 2 million tonnes, and these figures were maintained during the following three years.

If at the beginning of this millennium the production of phosphates was somewhere around 2 million tonnes (2001 = 2,043,000 tonnes; 2002 = 2,483,000 tonnes; 2003 = 2,401,000 tonnes), the production in 2007 was 3.8 million tonnes, being obtained mainly from the mines in al–Sharqiya and Khnefis. The internal consumption was of approximately 650,000 tonnes, the rest being exported to Lebanon (900,000 tonnes) and to other Arab countries or other regions (2.3 million tonnes). It has been predicted that the export of phosphates would reach up to 6 million tonnes in 2010.

In order to reach this level, the railways must be repaired between Homs and Tartous, at least 20 train carts must be purchased especially for this kind of transportation, and the harbour of Tartous must be modernized and arranged.

According to several research studies conducted by the Ministry of Mineral Resources, the abundance of resources such as the phosphates, zeolith, marble, lime or salts could be an alternative solution to petroleum and a never-ending source of unconventional energy sources, both for industry and for home consumption.

During a press conference at the beginning of 2008, the Minister of Petroleum and Mineral Resources, Suffian Allaw, stated that the actual resources of phosphates are situated somewhere around 2 billion tonnes.

The main operator is the General Phosphate Company, which has been exploiting the mines at East A, East B and Kneifis, and obtaining a production of approximately 2.65 million tonnes per year.

The production of phosphate rock was 2,043,000 tonnes in 2001, 2,483,000 tonnes in 2002, and 2,401,000 in 2003.

The phosphate rock constitutes the raw material for the enterprises that produce chemical fertilizers.

Processing the Major Substances and Raw Materials

The Production of Chemical Fertilizers

Based on its considerable natural resources, Syria passed on to the production of chemical fertilizers made from phosphates.

The Syrian Government appealed to the Romanian State in order to build a gigantic chemical plant based in Homs. The construction of this triple-super phosphate plant required approximately 180 million USD and it started producing in 1981, with a nominal capacity of 450,000 tonnes of triple – super phosphate and 800,000 tonnes of phosphates and phosphoric acid per year.

The production of chemical fertilizers was 68,333 tonnes in 1981. Three years later, in 1984 it reached 191,176 tonnes, and in 1986 it produced 192,720 tonnes of chemical fertilizers.

In Homs, as well, in 1979, a company for ammonia and urea was built. It had a daily production of 1000 tonnes of ammonia, out of which 600 tonnes were being used for processing 1050 tonnes of urea daily.

The production of nitrogen chemical fertilizers increased from 59,607 tonnes in 1981,

In December 1986, Syria signed a protocol of collaboration with Russia, through which Syria committed to supply a total volume of phosphates of 6 million tonnes until 2000.

The Production of Cement

The production of cement began in 1982 at Tartous, in a company which declared to have the capacity to produce 2.85 million tonnes of cement, but was able to produce only 1.8 million tonnes per year.

Later, other cement companies were built at al-Chabba, Adra, Hama, Musulmiya and Aleppo, which allowed the increase of production up to 4.3 million tonnes in 1985.

In 1993, the internal demand for cement raised to over 5 million tonnes, which lead to the import of supplies, especially from Jordan.

The overall development of the country demanded in 1995 for 6.5 million tonnes of cement, while the internal production of that year was only 3.2 million tonnes. The demand for cement increased then to 6 million tonnes in 2001.

Given that all the efforts of the nine cement producing companies could not exceed the level of 5 million tonnes of internal cement production, Syria had to appeal to external partners in order to build new units of production.

Syria immediately began negotiations with Edhas Sanat Company from Iran, in order to build a company with a capacity of 1 million tonnes per year, objective that was accomplished in 2005. The Economic Developments Funds from Kuwait contributed to this project with 70 million USD. Another project was started together with Hassan Allam Group from Egypt in order to build a cement company in Abu Shamat, at the estimated costs of 540 million USD. In September 2005, the Chinese company called Sinohydro Corporation signed a contract with Farzat Company from Syria, in order to build a cement company in the region of Damascus, with a capacity of 1.8 million tonnes per year.


According to the latest information, the production of cement during 2006 was 6.3 million tonnes.

The main objective of Syria regarding this field is to reach an annual production of 8.9 million tonnes of cement until the end of 2012.

2.2.3 The Production of Iron and Steel

Processing iron and steel was almost entirely centred in Hama, where there are a foundry, a mineral mill and a metallurgic company which produce mainly pipes and tubes.

Initially, the only actor on the metal processing market was the General Company of Iron Products and Steel Hadeed Hama.

As a reaction to the constantly increasing internal demands and the raise of the imported products prices, the foundry producing 70,000 tonnes per year in 2006, the company raised its production to 400,000 tonnes per year, based on a cooperation program with a trust from India.

This will surely be a profitable business, given that, in the present conditions (quite unfortunate as far as technology is concerned), Hadeed Hama made a profit of approximately 6.9 million USD in 2006, as a result of some total sales of 59.4 million USD.

During the last years, a group of private entrepreneurs (presently there are five private companies), among which Joudco Steel stands out, a company was launched in 2004 with an annual production of 99,000 tonnes and it reached after its first year 105,000 tonnes. In 2006, the company produced 117,000 tonnes and stated that its objective is to reach the threshold of 150,000 tonnes in 2007. The company built a mineral mill in the free commerce area called Latakia and has been working on a building process of a foundry with a capacity of 150,000 tonnes in 2007 in the industrial area.
called Adra (20 km from Damascus), scheduled to be finalized in 2008.

Following the events in the Gulf during 1990-1991, Saudi Arabia made available for Syria approximately 1 billion USD for the construction of an iron-and-steel company in az-Zara (near Hama), designed for an annual capacity of 700,000 tonnes.

2.3 The Energy Industry

As of the year 1965, the Syrian state has monopolized the sector of electric energy production and distribution. The permanently growing needs of the national economy, as well as the necessity of embracing a modern management of this sector led to the establishment in 1994 of two main authorities: Public Establishment for Electricity Generation and Transmission (PEEGT) and Public Establishment for Distribution and Exploitation of Electrical Energy (PEDEEE).

Fossil fuels represent the main source of electric energy. Over 86% of Syria’s energy is obtained from crude oil and natural gases. The most important thermal power stations are: Palmira-Aleppo (1000 MW, natural gases), Banias (680 MW, natural gases), Mharden (630 MW, natural gases), Tishreen (380 MW, oil and gas), Zaisoun (380 MW, oil and gas).

The difference of 14 percent arises mainly from the water power stations, especially from those located along the Euphrates River.

One of the most daring projects of the five-year plan 1971-1975 was to finish the construction of the Euphrates dam, which was started in 1968. It was a dam with 4.6 km in length, 60 m in height and 500 m in base width.

Behind the dam, a basin with a water volume of 12,000 million cubic metres was built (the Assad Lake), meant to actuate 8 turbines and to ensure the irrigation of 640,000 ha.

The project completion was generously assisted by the USSR, both financially (almost one billion USD) and with the aid of over 1,200 technicians.

The total output in 1993 was estimated to approximately 1,900 MW (63% from the thermal power stations, 26.5% from the gas turbines and 10.5% from the water power stations), substantially below the consumers’ needs, so that the policy of interrupting the electric energy several hours a day was adopted.

In 2001, the total generated electric energy was 5.400 MW, whereas only 900 MW were produced by the water power stations.

By the year 2002, Syria’s installed power had a capacity of 7014 MW, thereof 3636 MW originating from steam power stations, 1250 MW from gas turbines, 600 MW from mixed cycles and 1528 MW from water power stations (according to several professional studies, Syria’s water energy potential amounts to approximately 4,500 – 6,000 MW). On a percentage basis, the repartition on different consumers was as follows: public consumers – 34.5%, industry – 24.3%, agriculture – 3.8%, trade – 6.1%, others – 7.7%, production and distribution networks – 4.9%, losses – 18.7%.

According to the last statistics of the Syrian government, Syria reached in 2007 an installed capacity of over 8,200 MW, a remarkable growth, bearing in mind that in 1998 it amounted to roughly 4,000 MW.

The electric energy output was 39.94 billion KWh in the year 2007, which is about 1,809 KWh/ inhabitant. The legal electric energy consumption amounted in the same year 34.0 billion KWh.

A growth of the electric energy demand is estimated to roughly 10% in each year, meaning that by 2010, Syria shall need at least 11,500 MW. This is the reason why the government intends to invest in this area over 10 billion USD in the next 20 years.

Syria is a constituent part of the MEDRING project, a very ample programme which aims at an efficient energetic cooperation, advantageous for all the states around the Mediterranean Sea.

Moreover, Syria belongs to an interconnecting system of the electric energy networks with Jordan and Lebanon (since 1972).

In 2006, the Arab Fund for Economic and Social Development from Kuwait ran a programme worth 400 million USD, intended for the modernization of the interconnections between the existing energetic systems in Syria, Egypt, Jordan, Lebanon, Turkey and Iraq.

The main ongoing energy projects are:

• The water power station of 750 MW on the Euphrates, at Dair el-Zour. The involved parties are a German joint venture between Siemens and Koch, SNC Lavalin (Canada) and a Spanish- Polish joint venture (Iberdrola and Alstom). Financing: the European Investment Bank: 236
million USD; the Islamic Development Bank: 102 million USD; the Arab Fund for Economic and Social Development: 94.5 million USD; Syria shall cover the remaining investment.

- The electric power plant with combined circuit at Deir Ali, with a capacity of 750 MW. Financing: the European Investment Bank: 263 million USD; the Arab Fund for Economic and Social Development: 100 million USD.

- Feasibility study for an electric power plant with combined circuit at Qattineh, near Homs; project value: 400 million USD.

- The power enhancement of the electric power plant at Banias, from 680 MW to 1080 MW.

- The analysis of the privatisation possibility for the prospective electric power plants.

- The construction of wind power plants to supply overall roughly 800 MW and the installation of 16,000 basic solar energy units in 1,000 localities.

- The value of the project: 1.48 billion USD.

The Olive and Olive Oil Production

The olives and olive oil are among the main products of the Syrian economy. According to FAO, over 377,000 Syrian families (almost 15% from the country’s overall manpower) are involved in olive tree cultivation, respectively in the olive oil production and distribution. Yearly, depending on the harvest, the olive tree crop adds between 1.5 and 3 percent to the gross domestic product.

The olive cultivation and exploitation sector is entirely private.

Syria cultivates a large number of olive trees, especially in the northern and northwestern parts of the country (roughly 56% from the overall crops), between Aleppo and Idlib. Another vital crop area is the coast line (42%). It is estimated that there are around 75 million olive trees in Syria and 53 million thereof are bearing fruit.

The olive oil production takes place in several hundred small presses, in 20-30 medium presses and in 7 big expert companies (there is a press for an average of 77,500 olive trees).

Over 15% of the presses are obsolete (2% of the oil production), 66% are hydraulically controlled (42% of the production) and only 19% are equipped with modern technology (56% of the production).

Regarding the achieved incomes, the following figures are available:


The main olive oil destinations are: Italy, Switzerland, Spain and Saudi Arabia.

The Textile and Garment Industry

Owing to the fact that Syria is a great cotton manufacturer (yearly crops between 600,000 and 1,000,000 t.), the textile and garment industry underwent a strong development, becoming an important strategic and economic branch. The textile and garment sector employs roughly 10% of the overall active population and supplies almost 45% of the non-oil exports.

The remuneration costs in this sector amount to only 75 US cents / hour, in contrast to 2,200 cents / hour in Italy, 1,334 cents / hour in the US or 246 cents / hour in Turkey. The manpower costs are smaller than in China or India.

The public sector of this industry encompasses 27 state enterprises, most of them with old equipment, focussed on spinning and weaving (8 very old companies - since 1948, 13 companies with medium age and equipment and only 6 modern companies). All state companies are included in the General Organisation of Textile Industry.

The private sector includes over 14,000 small and medium-sized companies, mostly in the field of garments, domestic textiles and carpets. The great majority of these companies own state-of-the-art equipment, especially imported from Europe.

Certain products, such as carpets and footcloth (especially used for religious ceremonies) are almost exclusively exported to Arab countries. Thus, in 2004, from an overall turnover of 4.829.480 USD, the destinations for carpets and footcloth were: Libya (1,850,920 USD), Jordan (1,015,500 USD), Saudi Arabia (778,460 USD), Iraq (403,980 USD) and other countries, inclusively from Europe (780,640 USD).

According to the latest data provided by the Syrian government, the textile and garment industry contributed in 2006 roughly 1.88 billion USD and the estimates for 2007 exceed two
2.7 The Tourism

Syria has a huge potential in this field, given its extraordinary cultural, historical and archaeological patrimony. However, the infrastructure is not developed enough. The government expressed a strong interest in promoting the tourism industry and the investments for its needed infrastructure.

Excepting the one-day tourists, in 2006 there were 4.4 million tourists in Syria, compared with 3.4 million in 2005. It has to be said that more than one million of them were not tourists in the strict sense of the word, but they were Iraqi refugees.

Most of the tourists came from Lebanon (820,000), Jordan (730,000), the Gulf countries (580,000), Turkey (250,000), the USA (54,000) etc. In 2007, Syria was visited by 3.5 million tourists.

The evolution of the tourists number, including one-day stays (usually, without accommodation) within the last few years is presented in the table below.

<table>
<thead>
<tr>
<th>Details</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>Syria’s total inflow (million)</td>
<td>3.39</td>
</tr>
</tbody>
</table>

The cashing was about 2.15 billion USD in 2006 compared with 2.0 billion USD in 2005. The total amount of tourist accommodation for one night was 7.5 million in 2006 compared with 7.11 million in 2005.

In 2005 and 2006 a lot of cooperation projects for the improvement of tourism infrastructure were approved (especially the building of hotels) and supported by companies from Arab countries (like Qatar, Saudi Arabia, United Arab Emirates, Kuwait).

Investments in tourism constantly grew, from 100 million USD in 2003, to 300 million USD in 2004 at over 800 million USD in 2005.

A first five-star hotel (Four Seasons Hotel) was opened in Damascus. The Kharafi Group Trust from Kuwait got off the ground a project totaling 217 million USD for the construction of a new five-star hotel in Damascus, with a capacity of 900 beds.

Syria takes very seriously the tourism issue; that is why in 2008 it allocated over 5.5 million USD for the promoting programmes (especially because during 2008 UNESCO will support the programme called „Damascus – capital of the Arab culture”).

As strategic objectives for this sector, Syria has in view to attract over 7 million tourists in 2010 which will ensure revenues of over 5 billion USD.

By the end of 2008, the tourism sector will employ 140,000 people, indirectly providing jobs for another 280,000 people; this will allow the decrease of the unemployment rate in Syria that currently exceeds 10%.

Excerpts of the discussions held with H.E. Dr. Sa’dallah Agha Al-Qala’a,
Minister of Tourism

As Minister of Tourism since 2001, His Excellency made a professional presentation of the actual stage of Syria’s tourism and its future prospects as one of the most dynamic sector of Syria’s economy.

The Minister stressed that the forceful development of tourism in Syria was discussed by the Supreme Council of Tourism meeting headed by the President Bashar Al-Assad on September 22, 2004. On that meeting the President set up certain measures for investments promotion in the sector, over passing the obstacles hindering the development of tourism and setting in motion the mechanisms for an appropriate development of this field.

Since 2004, three Forums on Tourism Investments took place with international participation with tangible results. Investments in Syria’s tourism are focused on 6 Governorates: Damascus, Damascus province, Lattakia, Tartous, Aleppo and Homs. Many international hotels have been built and the Ministry is trying now to make up the difference of three-star hotels which are very much sought of. Syria is also promoting the business tourism for which the prospects are promising.
The Syrian external trade and its evolution since 1948 were influenced by the tense relations, quite often confrontational, with Israel. As a founder member of the General Agreement on Tariffs and Trade (the GATT), Syria withdrew from this organisation in 1951 in protest against Israel’s accession as a member. This political decision was totally unfavourable to Syria that was rejected from a system regulating the external trade, deprived of the most elementary protection measures or rights, especially after the setting up of the World Trade Organisation (WTO).

The situation slightly improved in 1977 when Syria signed a cooperation agreement with the EU which has not been ratified yet. Syria’s trade situation for the period 1990 – 2003 is presented in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (million USD)</th>
<th>Imports (million USD)</th>
<th>Balance (million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>4,221.0</td>
<td>2,394.0</td>
<td>1,827</td>
</tr>
<tr>
<td>1995</td>
<td>3,979.0</td>
<td>4,698.0</td>
<td>-719</td>
</tr>
<tr>
<td>1999</td>
<td>796.2</td>
<td>3,831.6</td>
<td>-3,035.4</td>
</tr>
<tr>
<td>2000</td>
<td>4,527.7</td>
<td>4,605.3</td>
<td>-79.6</td>
</tr>
<tr>
<td>2001</td>
<td>5,053.0</td>
<td>4,587.4</td>
<td>465.6</td>
</tr>
<tr>
<td>2002</td>
<td>6,869.0</td>
<td>5,069.0</td>
<td>1,798.6</td>
</tr>
<tr>
<td>2003</td>
<td>5,761.7</td>
<td>5,091.8</td>
<td>670</td>
</tr>
</tbody>
</table>

2.8 The External Trade

According with the numbers presented by World Tourism Organization, the Syrian tourism will contribute 14.5% to the GDP (4,885 billion dollars) in 2008 and with 16.8% in 2018 (9.592 billion dollars).

Tourism will use 14.2% of the working force in 2008 (1,13 million people) and 17.9% in 2018 (1,847 million people), that means that tourism will use one out of 6.6 working places in 2008 and one out of 5.6 working places in 2018.

The World Tourism Organization 2008 Report covering 176 countries places Syria on the 76th place in the world, on the 46th place as tourism contribution to the national economic development and on the 79th place as prospects for sectors development.
There was a „black“ period between 1995 and 2000 when the commercial balance recorded negative figures, with a climax in 1999: -3,035.4 million USD.

Statistically, for the entire period that has been studied, the marketed products weight was:

- Exported products:
  - finished products: 16.7%
  - semi finished products: 6.8%

- Import products:
  - finished products: 43.5%
  - semi finished products: 43.5%
  - raw materials: 10%

Between 2001 and 2003 a certain progress has been recorded, especially because of Syria’s decision to join the multi-national coalition, receiving the right to participate in the „oil – for – food“ programme.

For a period, Syria’s GDP depended on the external trade. The external trade weight in the GDP was then about 53.3%, compared to 24% in 1980.

A difficult issue of the external trade at that time was the fact that Syria was forced to accept different exchange rates for the national currency. In 1986, for example, the dollar exchange rate was 4.05 Syrian Pound at the import and only 3.9 Syrian Pound at the export. Then, in 1987, the exchange rate was 11.25 Syrian Pound at the import and 11.80 Syrian Pound at the export; in 2000 an American dollar was 46.5 Syrian Pound at the import and 46 Syrian Pound at the export (*Remark: on April, 1st 2008, 1 USD = 51.5 SP*).

Another problem was the fact that more than three quarters of the exports were raw materials which led, on the one hand, at the exhaustion of the country’s resources and, on the other hand, at completely unfavourable exchanges.

Between 2004 and 2006, Syria went through another difficult period. The exhaustion of the oil reserves and the decrease in oil exports has triggered the need of reorientation of the country towards new products and markets. As shown in the table below, the balance of the commercial exchanges with the world states (excepting the European Union) was definitely negative, while the relations with the EU were almost satisfactory, given that the exchanges were made in accordance with a vague agreement.

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Exports</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>20,879</td>
<td>18,959</td>
<td>-1,920</td>
</tr>
<tr>
<td>2005</td>
<td>12,719</td>
<td>8,291</td>
<td>-4,428</td>
</tr>
<tr>
<td>2006</td>
<td>15,160</td>
<td>9,710</td>
<td>-5,450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Exports</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3,816</td>
<td>9,602</td>
<td>5,786</td>
</tr>
<tr>
<td>2005</td>
<td>3,041</td>
<td>2,654</td>
<td>-388</td>
</tr>
<tr>
<td>2006</td>
<td>3,186</td>
<td>3,136</td>
<td>-50</td>
</tr>
</tbody>
</table>

Remark: the figures represent “million €”.

That is precisely why Syria’s is now making efforts to sign the Association Agreement with the EU and to obtain therefore more access on EU markets.

The situation of Syria’s commercial exchanges in 2007 was the following:
- Total exports: 10.9 billion USD (565 USD / inhabitant);
- Total imports: 11.49 billion USD (595 USD / inhabitant);
- The commercial balance: -2.16 billion USD (-111 USD / inhabitant).

The main markets for Syrian exports were: Iraq (27.3%), Germany (12.1%), Lebanon (9.5%), Italy (6.6%), Egypt (5.3%) and Saudi Arabia (4.8%).

As regards the import sources, the main countries were: Saudi Arabia (12.3%), China (7.9%), Egypt (6.2%), United Arab Emirates (6%), Germany (4.9%), Italy (4.9%), Ukraine (4.8%) and Iran (4.5%).

**POLITICAL SYSTEM**

The National Progressive Front was created in March 1972, as a coalition of political parties, having as main force the Arab Socialist Baath Party. The other member parties of the Front are: the Arab Socialist Union, the Socialist Unionist Party, the Syrian Communist Party (Wissal Farha Bakdash group), the Democratic Socialist Unionist Party, the Arab Socialist Movement, the Syrian Communist Party,
(Yusuf Faisal group), the National VOW Movement, the Syrian Social Nationalist Party, the Arabic Democratic Unionist Party. Since 1972, the only parties legally recognized have been those being part to the Front.

The new Constitution of Syria was endorsed in a national referendum on March 12th, 1973; the Constitution states that the Baath Socialist Party is the governing party of the state and of the National Progressive Front and its purpose is to unify the mass energy in order to use it for the Arab nation’s objectives.

According to the Constitution, the People’s Council (The Parliament) appoints, on the regional Commandment of the Baath Party’s proposal, the candidate to the republic presidency, for a seven-year mandate. The proposal is then submitted to a national referendum.

The president confirmed through the referendum is, at the same time, General Secretary of the Arab Socialist Baath Party, Commander-in-Chief of the armed forces and President of the National Progressive Front.

The People’s Council and the Government are made up of a majority number of Baath Party’s members, a certain number of representatives of the other parties (groups that are part of the Front, about 4-6 members of each one) and a certain number of non-partisans.

At present, the People’s Council has 250 members, elected for four years. The last parliamentary elections took place in 2007. The National Progressive Front has 167 seats (67% of the votes), of which the Arab Socialist Baath Party holds 134, and the non-partisan candidates – 84 seats.

The Arab Socialist Baath Party was founded as an Arab nationalist movement, active during the first two decades of the 20th century, functioning as a secret society and fighting against the Ottoman domination (“Al Qathania”, 1909 – 1911; “Al Fatat”, 1911 – 1920 and “Al Ahd, 1914 – 1920). After the fall of the Ottoman Empire, and Syria’s placement under French mandate, the Istiqlal Party carried on the fight for national ideals. The “National Action League” broke away from the Istiqlal Party and in 1939 many of the league’s leaders were proved to collaborate with the mandatory authorities; that is why, at Zaki Al-Arsouzi’s initiative, the Arab Nationalist Party was born and it soon was turned into the Baath Party (the party of the Arab rebirth). The founding congress took place later, on April 7th, 1947 when the party’s programme and statutes were adopted. The party’s doctrine is summarized by the motto: “unity – freedom – socialism” and the declaration of faith was stating “One Arab nation with an Eternal Message”.

Two fundamental ideas were then expressed:

- “Arabs form one single nation; the Arab country is a political and economic unit; the Arab nation represents a cultural unit; the Arab nation belongs to Arabs.”
- Fight against colonialism and its acolytes

The general principles of Baath concept, as a political organization, are the following: Baath Party is a universal Arab party, with branches in all Arab countries; the Baath Party is a national party; in the Baath philosophy, nationalism is an alive and eternal reality; the Baath Party is a socialist party. In the Baath philosophy, socialism is a necessity emanating from the character of the Arab nationalism; the Baath Party is a popular party; in the Baath philosophy, the only source of the people’s power is their sovereignty and property; the value of the state results from the people’s will; the Baath Party is revolutionary; it fights to unify all the Arabs in one independent state.

In 1958, at the suggestion of the president of the United Arab Republic (Egypt and Syria) Nasser, the party was disbanded and all its leaders lost power. On September 28th, 1961 when the coup d’etat, leading to the separation of Syria and Egypt, took place, a section of Baath militants approved it and another section condemned it. In the same year a regional leadership of the party was appointed and in 1962 some of the Baath leaders formed the Arab Socialist Party.

On March 8th, 1963 the “Baath Military Committee”, in alliance with the regional Baath members seizes power in state in the name of Baath Party. A national Council of the rebellion commandment is formed, taking the governments prerogatives. On April 26th 1964, a provisory Constitution was promulgated, confirming the state of affairs. On February 23rd, 1966
a radical group made of officers and civilians took power in their hands and eliminated all the historical leaders. In November 1970 the air commodore Hafez Al-Assad, Minister of National Defence, established himself as a leader, becoming the leader of the party and Syria’s President.

The Baath Party has strong subsidiaries in Lebanon, Yemen, Jordan, Sudan and Iraq. Even a faction of the Palestine Liberation Organization, called the Arab Liberation Front, declared to be a Baath subsidiary.

The Present Political Situation

The Syrian government structure is presented in the table below:

<table>
<thead>
<tr>
<th>Ministry or Office</th>
<th>Permanent Staff Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime minister</td>
<td>Muhammad Naji al-UTRI</td>
</tr>
<tr>
<td>Vice-President For Economic Affairs</td>
<td>Abdallah al-DARDAR</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs</td>
<td>Walid MUALEM</td>
</tr>
<tr>
<td>Deputy Minister</td>
<td>Faisal MIQDAD</td>
</tr>
<tr>
<td>Ministry of Defence</td>
<td>General Lieutenant Hasan Ali TURKMANI</td>
</tr>
<tr>
<td>Ministry of Expatriates</td>
<td>Buthaynah SHABAAN</td>
</tr>
<tr>
<td>Ministry Of Heath</td>
<td>Dr. Mahir HUSAMI</td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
<td>Dr. Adil SAFIR</td>
</tr>
<tr>
<td>Ministry of Petroleum</td>
<td>Sufiyan al-AWI</td>
</tr>
<tr>
<td>Ministry of Irrigation</td>
<td>Nadir al-BUNI</td>
</tr>
<tr>
<td>Ministry of Culture</td>
<td>Riyadh Nasan AGHA</td>
</tr>
<tr>
<td>Ministry of the Information</td>
<td>Dr. Muhsin BILAL</td>
</tr>
<tr>
<td>Ministry of Islamic Affairs (Religion)</td>
<td>Muhammad Ziyad al-AYUBI</td>
</tr>
<tr>
<td>Ministry of Transport</td>
<td>Yarub Sulayman BADR</td>
</tr>
<tr>
<td>Ministry of Justice</td>
<td>Muhammad al-GHAFRI</td>
</tr>
<tr>
<td>Ministry of Industry</td>
<td>Fuad Isa JUNI</td>
</tr>
<tr>
<td>Ministry of the Interior</td>
<td>Gen. Basam ABD AL-MAJID</td>
</tr>
<tr>
<td>Ministry of Communication and Technology</td>
<td>Amir Nasir SALIM</td>
</tr>
<tr>
<td>Ministry of Labour and Social Affairs</td>
<td>Dayala al-Haj ARIF</td>
</tr>
<tr>
<td>Ministry of Public Work and Housing</td>
<td>Hamud al-HUSAYN</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>Ghiath BARAKAT</td>
</tr>
<tr>
<td>Ministry of Municipal, Rural and Environmental Affairs</td>
<td>Hilal al-ATRASH</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Muhammad al-HUSAYN</td>
</tr>
<tr>
<td>Ministry of Trade and Economy</td>
<td>Amir Husni LUTFI</td>
</tr>
<tr>
<td>Ministry of Tourism</td>
<td>Sadallah Agha al-QALA</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>Ali SAD</td>
</tr>
<tr>
<td>Minister for Presidential Affairs</td>
<td>Ghasan LAHAM</td>
</tr>
<tr>
<td>Minister of State</td>
<td>Yusuf Sulayman AHMAD</td>
</tr>
<tr>
<td>Minister of State</td>
<td>Husayn Mahmud FARZAT</td>
</tr>
<tr>
<td>Minister of State</td>
<td>Ghayth JARATLI</td>
</tr>
<tr>
<td>Minister of State</td>
<td>Muhammad Yahya KHALAT</td>
</tr>
<tr>
<td>Minister of State</td>
<td>Hasan al-SARI</td>
</tr>
<tr>
<td>Minister of State</td>
<td>Bashar SHAR</td>
</tr>
<tr>
<td>Minister of State</td>
<td>Yusuf SUWAYD</td>
</tr>
<tr>
<td>National Bank Governor</td>
<td>Adib MAYALA</td>
</tr>
</tbody>
</table>

At the elections from April 22nd 2007 for the People’s Council, the parties (groups) and the independents have gathered the following numbers of seats:

The National Progressive Front: 169 seats, distributed to parties as
shown below:

• The Arab Socialist Baath Party: 134 seats;
• The Arab Socialist Union: 8 seats;
• The Socialist Unionist Party: 6 seats;
• The Syrian Communist Party (Wissal Farha Bakdash Group): 5 seats;
• The Democratic Socialist Unionist Party: 4 seats;
• The Arab Socialist Movement: 3 seats;
• The Syrian Communist Party (Yusuf Faisal Group): 3 seats;
• The National VOW Movement: 3 seats;
• The Syrian Socialist Nationalist Party: 2 seats;
• The Arabic Democratic Unionist Party: 1 seat;
• The independents: 81 seats.

At the May 27th, 2007 referendum, on re-electing President Bashar Al Assad for another seven-year term, the following results were obtained.

• 11,472,157 citizens with the right to vote came to the polls;
• 11,199,445 citizens with the right to vote agreed (97.62%);
• 19,653 citizens with the right to vote did not agree: (0.17%);
• 253,059 voting papers were cancelled (2.21%).

SYRIA’S ARMED FORCES

According to the Constitution, the president of the state is a Supreme Commander of the Armed Forces. The military service is compulsory for all the citizens aged between 18 and 49 and lasts 24 months.

Leading people:

• Minister of Defense: General Hassan Turkmani;
• Chief of the General Staff: General Ali Habib;
• Air Commodore: General Hazem Khadra’a;
• Navy Commodore: Vice-Admiral Wa’il Nasser.

The Syrian armed forces are estimated to employ about 320,000 fighters.

Syria was involved in armed conflicts with Israel (1948, 1967 and 1973) and in the civil Lebanese war.

Syrian armed forces were also involved in actions aimed at maintaining law and order, the most famous case being the so called „The Hama massacre” in 1982 when the army bombarded the hidings of the fighters from the „Muslim Brotherhood”. Between 15,000 and 40,000 people were killed.

The Syrian army is accused of supporting Palestine and Lebanese militias (Hezbollah, Hamas, Palestine Liberation Popular Front and the Islamic Jihad).

The Syrian armed forces consist of: land troops, navy, air force, antiaircraft defence, police and Special Forces. Information concerning the evolution of the Syrian army strength is presented in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number</td>
<td>704,000</td>
<td>820,000</td>
<td>758,800</td>
<td>769,600</td>
<td>769,600</td>
</tr>
<tr>
<td>Career Militaries</td>
<td>404,000</td>
<td>316,000</td>
<td>296,800</td>
<td>307,600</td>
<td>307,600</td>
</tr>
<tr>
<td>Land Troops</td>
<td>300,000</td>
<td>215,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Military Navy</td>
<td>4,000</td>
<td>6,000</td>
<td>7,600</td>
<td>7,600</td>
<td>7,600</td>
</tr>
<tr>
<td>Air Force</td>
<td>40,000</td>
<td>40,000</td>
<td>35,000</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Antiaircraft Defence</td>
<td>60,000</td>
<td>55,000</td>
<td>54,200</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Paramilitary Forces</td>
<td>24,300</td>
<td>108,000</td>
<td>108,000</td>
<td>108,000</td>
<td>108,000</td>
</tr>
<tr>
<td>Reserve Forces – Total number</td>
<td>400,000</td>
<td>396,000</td>
<td>354,000</td>
<td>354,000</td>
<td>354,000</td>
</tr>
<tr>
<td>Land Troops</td>
<td>392,000</td>
<td>300,000</td>
<td>280,000</td>
<td>280,000</td>
<td>280,000</td>
</tr>
<tr>
<td>Military Navy</td>
<td>8,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Air Force</td>
<td>?</td>
<td>92,000</td>
<td>70,000</td>
<td>70,000</td>
<td>70,000</td>
</tr>
</tbody>
</table>
FOREIGN RELATIONS OF SYRIA

Syria has two major concerns influencing its foreign relations: Pan-Arabism and the Golan Heights.

PAN-ARABISM

Pan-Arabism (or the pan-Arab nationalism) gradually developed after World War II, on the one hand as a reaction to the creation of Israel and on the other hand as a bottom-up alternative to American and soviet approaches, locally considered an euphemism for the secularization of the spheres of influence. For the pan Arab nationalists, the “Middle East” label itself is considered either to undermine the so called “Arab” substance of the region (from this perspective, the area does not include non Arab states like Turkey, Israel and Iran), or to “tear up” “the distinct unity” of the Arab traditional home.

THE GOLAN HEIGHTS

Geographically, the Golan Heights encompasses about 1,158 square kilometres, being situated between the region of Galilee (Israel) and the Damascus plain (Syria). They are 67 km long from the north to the south and 25 km broad.

The Golan Heights are bordered by the Jordan River to the west, the Yarmouk River to the south, the Sa’ar River to the north and the Allan and Ruqqad Rivers to the east.

The Golan plateau is divided into three distinct regions:

- Northern, between the Sa’ar and Jilabun valleys;
- Central, between the Jilabun and Daliyot valleys;
- Southern, between the Daliyot and Yarmouk valleys.

Until 1967, the area had been inhabited by 100,000 Syrian people, most of them Druze. After coming under Israeli control, the area was left by the Syrian population forced to move away. According to statistical recent data, at present there are about 33,500 inhabitants living in the area, and 17,000 thereof are Jewish colonists, 15,000 - Druze people and about 1,500 – Alawi.

As shown by the topographical profile of the region, the crest line is over 1000 m high, which enables you, once you reached the crest, to have a view over a radius of at least 60 km upon the Syrian territory (Golan is approximately 50 kilometres away from Damascus).

That is why, the first measure taken by Israel after having occupied the Golan Heights, was to set up look-out posts on Hermon Mountain (1,121 metres high) and on the peaks of Tel Avital (1,024 metres) and Tel Faris (929 metres).

UNDOF (United Nations Disengagement Observer Force)

UNDOF was established in 1974 following the agreed disengagement of the Israeli and Syrian forces on the Golan Heights.

On October 6th 1973 the Middle East conflict started; on October 24th, the tensions reached a critical point, and the United Nations Security Council decided to establish a second emergency force (UNEF II). Immediately after its engagement in the military operation, the Force stabilized the situation in the area. However, the Syrian Israeli relation remained pretty tense and in March 1974 the situation became unstable.

For this reason, the United States of America initiated a diplomatic campaign finalized by the signing of a Disengagement Agreement (S/1302/Add 1, Appendix 1 and 2) between the Syrian and Israeli Forces. The Agreement provided for an area of separation and for two equal zones of limited forces and armaments on both sides of the area; at the same time, the USA were required to establish an observer force to supervise the implementation of the Agreement. The Agreement was signed on May 31 1974 and, on the same day, the Security Council adopted resolution 350 (1974) by which it set up UNDOF.

Given that all the parties involved have worked together, the situation in the Israel-Syria sector has remained quiet and there have been no serious incidents.

The UNDOF strength on January 12 2007: 1,043 soldiers, assisted by 57 military observers of UNTSO’s Observer Group, and
supported by 39 international officials and 104 local civilian staff.

UNDOF headquarters is at Camp Faouar. The present Force Commander is Major-General Wolfgang Jilke (Austria). The contributor countries of military staff are Austria, Canada, India, Japan, Nepal, Poland and Slovakia. The strength is divided in two base camps with 44 permanently manned positions and 11 observation posts. The UNDOF budget for the period July 1st, 2007 and July 30th, 2008 is 41,590,000 USD. A strip of land, called “area of separation” (marked with blue on the map), 10 kilometres wide, separates the Syrian and Israeli forces, and no military forces other than UNDOF are permitted within it.

On each side of the area of separation there is another area of limitation 10 kilometres wide, in which each of the parties may deploy 6,000 soldiers, 75 tanks and 36 122 mm-calibre artillery items.

In the next area, 10 kilometres wide again, the two parties may deploy 450 tanks and 162 20 km-range artillery items.

Both parties are forbidden to deploy surface-to-air missiles less than 25 kilometres away from the area of separation.

THE TRUTH ABOUT GOLAN HEIGHTS
Most of the military analysts agree with Israel with the Golan Heights being of great strategic importance in the area because they allow a full monitoring of the Syrian army’s moves and they form an excellent attack base.

A closer study of the region shows that the true value of the plateau is that it represents the most important drainage basin, ensuring more than 50% of Israeli water supplies. Moreover, before the 1967 conflict, the water supply issue increased political tensions between Tel Aviv and Damascus: in 1964 Israel carried out works in order to divert the Jordan River watercourse and in reply, Syria tried to collect all its tributaries and divert them.

2. SYRIA’S RELATIONS WITH THE E.U.
2.1 General Remarks
Syria is a signatory of the 1995 Barcelona Declaration. In the absence of an EU-Syria Association Agreement in force, Syria cannot benefit yet from the European Neighbourhood Policy. That is why the European Neighbourhood Policy Instrument (ENPI) is currently governing the relations between the EU and Syria.

The negotiations between the EU and Syria were concluded in October 2004, but no specific agreement has been signed and ratified yet. The present relations between the EU and Syria are governed by the Cooperation Agreement signed in 1977.

2.2 Context OF Syrian-EU Relations
With its external policy, the EU seeks to promote prosperity, security and sustainable development worldwide.

In order to achieve this goal, the EU uses various instruments, such as the Common Foreign and Security Policy (CFSP), assistance and trade, as well as the external dimension of EU internal policy.

The European Consensus on Development adopted in November 2005 sets out a common vision that guides the development co-operation of the EU, at both Member States and Community level.

Until 1995, EU-Syria co-operation focused on traditional development activities, such as water supply and irrigation issues.

With the launching of the Euro-Mediterranean Partnership in 1995, cooperation has developed towards supporting the economic reforms that are necessary to place Syria where it belongs in the world economy: reforming the banking sector, developing the business portfolio, improving the management of public services, training and education, solving demography and environment problems.

The main objective of this Euro-Mediterranean Partnership is to ensure prosperity and stability in the entire Mediterranean Region.

At the regional level, the partner countries have adopted a work programme setting out the actions and priorities relating to the political, economic and cultural fields. The regional Euro-Mediterranean Programmes provide the means for implementing these actions.

At the bilateral level, the partnerships between the EU and each individual state are based on the Association Agreements. Syria has negotiated a far-reaching Association Agreement with the EU, which should pave the
way for its full adhesion to the European Neighbourhood Policy (ENP). The Association Agreement provides an appropriate framework for the economic, political and social dimensions of the EU-Syria partnership. The agreement was initiated in October 2004 but could not be implemented yet because the Member States have stated that the Syrian political context did not justify its signature and ratification.

Syria will benefit from all the opportunities offered by the European Neighbourhood Policy (ENP), once the Association Agreement is signed. The EU and Syria will then negotiate an Action Plan aimed at commonly agreed priorities and make common efforts for its implementation.

The Country Strategy Paper is based on the hypothesis that in the period 2007-2013 the Association Agreement will certainly be signed and ratified. Until then, the co-operation between the two countries will continue on the basis of Syria’s participation in the Euro-Mediterranean Partnership and of the Cooperation Agreement, relying on the European Neighbourhood Policy Instrument.

Other Foreign Policy Coordinates
Syria’s foreign policy has two major coordinates – the regional, pan Arab situation, and its relations with the rest of the international community. Its ideology is described by the unionist and socialist slogans of the Arab Socialist Baath Party: “One Arab nation with an Eternal Message” and “unity – freedom – socialism”. The fundamental objectives of the foreign policy and Syrian diplomacy may be synthesized in “liberating all Arab occupied territories (including the Golan Heights), solving correctly and permanently the Palestinian cause by ensuring the right to go back to their homes for the refugees, and creating an independent Palestinian state with the capital city in Jerusalem, thus achieving the Arab unity.

Syria’s relations with the Arab World were strained by Damascus’ support for Iran during the Iraq-Iran War (1980 – 1988).

In 1989, Syria had a decisive role in re-admitting Egypt as a member of the Arab League, after a period of suspension of its membership, by signing the Camp-David Peace Agreement between Egypt and Israel, through which the two countries re-established normal diplomatic relations, ending the state of belligerence.

During the Gulf War (1990 – 1991) Syria joined other Arab states in supporting the multi-national coalition against Iraq for the liberation of Kuwait; seven years later, in 1998, the relations between Damascus and Baghdad began to improve on economic grounds.

Syria will continue to play an active Pan-Arab role that will intensify after the suspension, of the Madrid negotiations in 2000, as the aim of those talks was to identify a political solution for the state of belligerence between Syria and Israel.

Although it voted in favour of UNSCR 1443 resolution, Syria was against Iraq’s invasion, but supported 1483 resolution that lifted the economic embargo against Iraq.

There are several weak points in the Syrian-pan Arab relations with Saudi Arabia, Egypt, Jordan but they have a historical cyclical, temporary character that concerns rather the inter Arab unity and cohesion.

Syria’s relations with Israel were marked by the Syria’s active participation in 3 major wars with the Jewish state – in 1948, 1967 and 1973; these relations inevitably have a tense but non explosive character because Damascus has avoided all actions likely to inflame the situation in the plateau and facilitate the outbreak of a major armed conflict, since the occupation of the Golan plateau in 1967.

Syria participated in Madrid Peace Conference (in October 1991) and the talks intermittently continued until September 2000 when they were suspended. Syria is willing to resume them based on the principle “land for peace” and the withdrawal of the Israeli state to June 4th 1967 border.

In 2004 – 2005 Syria and Israel restarted indirect negotiations; even though they technically they were a success, in the absence of a real political will and support, they finally failed.

Syria’s relations with Iran are questioned and criticised in the western – American and European - chancelleries as a consequence of the fact that Tehran does not stop supporting the nuclear programs likely to be applied in the military field as well. The bilateral relations are considered "strategic" both in Tehran and Damascus.
Talks with Dr. MOHSEN BILAL, Minister of Information
(self characterization: “I am a leftist and a fighter”)

Asked about the tradition of Romanian-Syrian bilateral relations and about the stage and the prospects of developing it, Mohsen Bilal stressed the traditional nature and the diversity or the bilateral relations embodied in numerous economic cooperation projects carried out in Syria and the dynamics of the commercial exchanges. He emphasized, as well, the cooperation in the social and educational fields, the remarkable number of Syrian youth who graduated from the Romanian universities or the thousands of mixed families, the cultural bilateral exchanges and other practical activities unfolded between the two countries and peoples with close relations.

The minister referred also to the fact that during the last two decades, due to objective reasons pertaining to the Romanian and Syrian sides, the overall relationship of our two countries witnessed a certain stagnation or even regress and considered that it is the duty of both sides as well as of the leadership of Bucharest and Damascus to be committed more actively and more directly for removal of the factors that determined that situation and to find practical and juridical mechanisms allowing re-enhancement of the economic cooperation and of the commercial exchanges according to the real capabilities of the two countries; Romania offered Syria a lot: tens of thousands on graduates of higher Romanian education institutes, projects of economic development, a constant support for finding a just solution to the conflict in the area and so on for which we are indeed grateful and make us insist for enhancing to a higher level of our bilateral ties, Bilal said.

Commenting on the Lebanese crisis as a result of diverging opinions concerning the election of Lebanon’s new president, the collocutor estimated that the main reason behind those evolutions lies in foreign interferences, either regional ones or extra-regional powers. Syria stressed its openness and availability for an as quick as possible solution. In Bilal’s opinion, a settlement of the Lebanese crisis in the near future is difficult to predict. Also, in spite of the complexities of the Lebanese political arena, estimations according to which Lebanon is on the verge of a new civil war are exaggerated.

According to Bilal, the developments in the Middle East have a direct impact on Syria’s internal situation especially on the economic and social sides; a telling example is the presence in Syria of more than 1.6 million Iraqi refugees to which more than 500000 Palestinian refugees should be added. The efforts of the Syrian state to ensure the social and humanitarian assistance for the Iraqi refugees are huge and this is why Damascus is directly interested in a rapid returning to normality and stability of the internal situation in Iraq. Syria bears more than 90% of the costs of tendering the Iraqi refugees, who are treated as Syrian citizens. The costs of supplying them electricity alone represent more than 1 billion US dollar a year.

As of the situation in Iraq, the Syrian minister considers that the way the Americans addressed it was a mistaken one since Saddam Hussein’s elimination and the destructions in Iraq contributed to the disappearance of the main balancing element of the Iranian expansion in the area. One looks forward with interest to the future American position towards that issue since the continuation of addressing the Iraqi situation the way it was so far will result in a “Vietnam type
During the Iraq-Iran War, Syria politically was on Iran’s side, attracting thus a severe isolation within the Arab community.

Although very different from the religious point of view (Shiites versus Sunnis) and in terms of ethnic identity (Persians – Arabs), the two states acted as allies. On June 16th 2006, the Iranian and Iraqi Ministers of defence signed a cooperation agreement against common threats (coming from the USA and Israel). “Iran considers that Syria’s security is synonymous to its own security” stated at that time the Syrian Minister.

On February 17th, 2007 President Bashar Al-Assad had talks to his Iranian counterpart, Mahmud Ahmadinejad who, at the close of the visit, stated that “Damascus and Tehran agreed on the setting up of an alliance that would fight the American and Israeli conspiracies against the Islamic world”.

Syria maintains close relations with North Korea, which appear to be based mainly on their co-operation in the military field. Concerning the motivation for these relations, the former President Hafez Al-Assad gave a significant answer to a question related to this topic, asked by Professor David Lesch from Trinity University: “Well, we do not have a choice; we surely need a few friends”.

**Syria’s relations with the ex USSR** and
with the Russian Federation had a very important role among Syria's foreign relations and they were defined by the East – West competition and by the Cold War. Given its close relationship with Moscow, Syria could benefit from a considerable soviet assistance in the field of development and infrastructure schemes. Moreover, the Syrian state could benefit from massive armament and logistics deliveries and other kinds of military supplies (combat aircrafts, ballistic systems, armoured vehicles etc.) that have allowed the Syrian army to obtain notable results in the wars against Israel.

The USSR and the communist system fall, as well as the end of the Cold War led to a period of stagnation of Syria's relations with the Russian federation and with the former European satellite states. It then followed a considerable normalization of their relations, in the context of Kremlin’s political and diplomatic offensive meant to re-establish Russia’s place, influence and prestige in the Middle East area.

The predominant characteristic of the Syria – USA relations is given by an extremely tense climate as Washington and its main allies make several accusations against Damascus. Syria is thus accused of “a strategic alliance with Iran”; it is also blamed for "accommodating on the Syrian territory Palestine opposition factions, getting involved in Lebanon internal affairs, financing and arming the Hezbollah Shiite Lebanese Movement (along with Iran).

That is why the USA have put Syria's name on the list of the states forming the "Axis of evil"; they have imposed economic sanctions against this country, and continue making pressures to the Security Council for their hardening.

Syria is a founder member of the Arab States League and a member of more international organisations – the United Nations Organization, the International Atomic Energy Agency, the International Bank for Reconstruction and Development, the UNESCO etc, and more than 30 governmental international organizations.

Brief History of Syrian-Romanian Diplomatic Relations.

Romania established diplomatic relations with Syria at legation level on August 9th, 1955 and raised the level of the diplomatic missions from legations to Embassies in 1957. In August 2005, on the celebration of 50 years since the beginning of the Romania-Syrian diplomatic relations, the Ministers of the Foreign Affairs of the two countries sent congratulations messages to each other.

Representation

A resident ambassador, Mr. Danut-Florin Sandovici, manages Romania’s Embassy in Damascus.

A resident ambassador, Mr. Walid Othman, manages the Arab Syrian Republic’s Embassy in Bucharest

Honorary Consulates

In Syria, there are Romanian Honorary Consulates in Aleppo – managed by Mr. Ala Mansour and in Latakia – run by Mr. Zuheir Joud. In Romania, the Syrian Honorary Consulate is in Constanta and it is managed by Mr. Jamal Zedo.

Political relations

High-level visits

In Syria: in April 1993

Parliamentary-level visits

In Romania: the People’s Council President in Syria visited Romania in October 1993, and in October 1995 participated in the session of the Inter-Parliamentary Union in Bucharest.

In Syria: the Senate President (November, 1994), the Chamber of Deputies President (March, 1996) and the Senate Vice-President (July, 1993). The President of the Parliamentary Group of Romanian-Syrian Friendship (June 2006)

Visits at the level of the ministers of foreign affairs


Consultations at the level of the deputy ministers of foreign affairs


Sessions of the Romanian-Syrian Joint Commission on Economic Cooperation

In Bucharest: in January 1998 and December 2002

In Damascus: in February 1995 and Feb-
February 1999.

**Other visits:**

*In Syria:* the Minister of Tourism (in February 1994); on this occasion the two countries have signed a cooperation agreement in the field of tourism. The Minister of Trade (in August 1994). The Minister of Youth and Sports (in April 2002). In March 2004, at the level of the Ministers of Foreign Affairs, the visit of the coordinating Secretary of State in Damascus; in November 2004, at the level of the Ministers of Culture, the visit of the Romanian delegation led by the Secretary of State of the Minister of Foreign Affairs, in Damascus.

*In Romania:* the Minister of Youth (in 2001) and the Minister of Transports (in May 2002) on the occasion of the European Conference on Transports in Bucharest.

**Economic relations:**

*The dynamic of the trade (million USD)*

*Main export goods:* electric fittings, vehicles, building materials, timber, chemical and metallurgical products, sheep.

*Romania’s mainly imports:* mineral products (especially petroleum and phosphates), cotton, textile products, consumer goods.

Objectives achieved by Romanian companies in Syria: the Banias Refinery, the Cement factory in Sheikh Said. The work carried out by the state on a 27,000 hectares surface in the Euphrates Basin for the improvement of the land quality.

Phosphate washing, drying and transporting stations in Eastern and Kneiffis, works of expansion and modernization of the Banias and Homs Refineries, 14 high voltage transformation stations and 50 power reducers, expansion of the gas treating and transporting system in Jibissa.

The last session (the 12th) of the Joint Commission on Economic and Technical Cooperation took place in Bucharest, in the period 9-13 December 2002. The next session of the Joint Commission on economic and technical cooperation will be held in Damascus on a date that will be commonly agreed.

**The Legal framework**

- Commercial Agreement;
- Agreement on Cooperation in the Field of Tourism;
- Agreement on Economic, Scientific and Technical Cooperation;
- Agreement on Cooperation in the Field of Health and Medical Science;
- Agreement Concerning Air Services;
- Agreement on Cooperation in the Field of on Public Works And Constructions;
- Agreement Between the Ministries of Youth and Sports;
- Agreement on Cooperation Between ROM-PRES și SANA National News Agencies;
- Cooperation Protocol Between the Romanian Television and the Syrian Television;
- Cooperation Protocol Between the Romanian Broadcasting and the Syrian Broadcasting;
- Agreement on Cooperation in the Field of Agriculture and Food Industry;
- Agreement on Cooperation in the Sanitary-Veterinary Field;
- A new Agreement on Cooperation in the Field of Education, Science and Culture was signed in November 2004, in Damascus, between the Romanian and the Syrian governments.

**Negotiated and agreed deeds that will be signed**

- Cooperation Protocol between the Romanian and Syrian Ministries of Foreign Affairs;
- Agreement on Cooperation in the Field of Telecommunications and Information;
- Agreement on Mutual Promotion and Promotion of Investments

**Deeds in different stages of negotiation**

- Agreement for the Avoidance of Double Imposition;
- Agreement on Cooperation in the Field of Shipping;
- Agreement on Cooperation in the Field of International Road Transport of Goods / Passengers;
- Agreement on Readmission of Native and Foreign Citizens.

**Consular Relations**

Romanian citizens need a visa in order to travel in the Syrian Arab Republic.
Interview with HE Walid Othman
The Ambassador of the Syrian Arab republic to Bucharest

GP: You have, Excellency, assumed since almost half a year the duty of Extraordinary and Plenipotentiary Ambassador of the Syrian Arab Republic to Bucharest after a rather long period of a lower level of representation of your country here. You were able to notice and have an image of the new environment in which you are working, about the people, about the Romanians and the new Romanian realities. Could you, Excellency, share some of your impressions?

H.E.W.O.: First of all, I am not unfamiliar with Romania and its people. Apart of the visits I made to your country during the ‘80ies as member of official delegations, I follower and graduated the Ph.D. degree with the Academy of Economic Studies in Bucharest.

I have since long time excellent relationship with many Romanian friends.

Certainly, Romania changed a lot to the better compared with that period in many a fields. I am glad to say that the signs of economic growth and social development are visible everywhere.

GP: To be frank, the Romanian-Syrian relationship witnessed especially during the 1990-2000 period a regress in the political, economic, cultural and other fields. The richness and long lasting nature of the relationship between our countries and people is proved, among others, by the great development projects achieved in common at Banias, Aleppo, Homs, Khneifiss, in the Euphrates Valley. More than 30,000 Syrian youth followed university studies in Romania. Can this relationship recover the gap and regain its dynamics? What can we do together to that purpose?

HEWO: As you know, our bilateral relations were excellent prior to 1990. Its result were materialized in the economic cooperation field with doubtless benefits for both sides.

The Syrian graduates of the Romanian universities and higher institutes played, with their Syrian colleagues, an important role the scientific, cultural and industrial modernization of my country. Many young Syrians in other fields became specialists in the same way.

I would like to add another important element, i.e. the social aspect represented by the mixed Syrian-Romanian families and by emergence of a new generation which enhances the liaisons between the two countries.

One should not ignore, as well, that the above mentioned graduates made up the core which attracted many Syrian businessmen and investors to Romania and that many of those brought in a serious manner their contribution to many fields of the Romanian economy.

The relative progress of the bilateral relations during the former period was due to the difficult economic circumstances faced by the two countries, on one hand, and due to the political developments witnessed by Romania after 1990, on the other hand. One should not forget that during the said period Romania focused all its efforts towards becoming a member of the European Union.

There is absolutely no obstacle now in the way of bringing the bilateral relations back to the previous level. The mutual desire of the two sides is there and we enjoy economic and political favorable circumstances.

GP: After the regretful passing away of the great man, politician and leader who was the President Hafez Al-Assad, Syria has now a young and dynamic leader, opened to the realities of the contemporary world. What is, in a few words, the present and future’s image of Bashar Al-Assad’s Syria?

HEWO: Syria was able, under the leadership of its former leader Hafez Al-Assad, to achieve political and social stability in spite of the difficult stage it passed through as a result of adopting national and principled stances which did not match the desires of some. Big pressures of different natures were exerted on Syria with direct impact on the country’s the economic situation. Nevertheless, Syria could always overpass the difficulties and adversities as a result of national solidarity, which bases were established by our former President.

President Bashar Al-Assad proposed a modernization program in accordance with the spirit of our time and the challenges we face in a rapidly changing world in which we have to keep the
pace with the evolution of sciences and the developments we are witness of.

The implementation of the program, which motto is “Modernization and development”, implies very complex duties in all wakes of political, economic and social life.

Syria’s enemies tried to change the course of our evolutions. They tried to provoke chaos, brought in unjustified charges and exerted different pressures.

As you know, they are bothered by the landmarks of our national policy and by Syria’s decision not to give up its rights acknowledged by the international laws.

Syria was able during the last years to overcome very severe crises. Our ambitions are not limited in time and in space and still have a lot to do.

GP: Mister Ambassador, Damascus is the 2008 Capital of the Arab World. What are the national and international dimensions of this event? What is Damascus’ cultural message?

HEWO: Syria and its symbol, Damascus, are still the vibrating heart of the Arabism to which every Arab aspires. The pan-Arab sentiment is a general one in Syria not as a result of a specific doctrinaire education but due to genuine sentiments inherited and nurtured since thousands of years.

The first urban-type civilization of the world was created in Syria as it was the first alphabet; it was from here that monotheist religions spread with the ideas of tolerance and equality. The Syrians were those who united hundred of years before Christ were born the shores of Mediterranean Sea through a unique civilization.

The waves of Arab civilization continued to spread from Damascus, the Capital of the Umayyad caliphs and of their state until few centuries back till Andalusia. The message the Syrians conveyed along millennia was a civilization message and of spreading ideas. It was and still is an eternal one.

One can easily see now how some stubbornly try to jam that message and the role Syria played in the past and now.

GP: The Syrian people celebrates every year on 17th of April the declaration of independence, “aid al-jala’a”. What is Syria’s record under the leadership of President Bashar Al-Assad in terms of raising the living standards, of economic and social development and of meeting your people’s aspirations?

HEWO: As I said before, we great achievements but our ambitions do not stop here. There are obstacles as the economy cannot be separated from politics. Since taking over the leadership of the country, President Bashar Al-Assad enacted hundreds of decrees and laws for modernizing all aspects connected to the economic and social life. They concern primarily the citizen and improving his living standard.

We are accused that the economic transition is too slow and this statement has some truth in it in what concerns the nature of Syria’s economy and the social fabric of the country. Nevertheless, the major obstacle is the outside pressures which had and still have a negative impact on the pace of economic reform and on other aspects to which one has to add the very complicated regional situation.

GP: Having in mind that Syria is one of the most influential players in the regional hot dossiers, we would like to address some of these, so much as the topics are either too little understood or in most of the cases they are presented in a distorted way. Damascus is accused – and the accusers are known- of opposing to normalizing of the situation in Lebanon firstly by preventing the election of a consensual president of the country. How much truth and how much mystification are in these statements?

HEWO: Syria entered Lebanon in 1976 at the request of the Lebanese legitimate Government of the time to halt the devastating civil war and Syria did that. Thousand of sons of our people became martyrs in Lebanon.

We are always stating that Syria recognizes Lebanon as an independent and sovereign state and that it is deeply concerned of Lebanon’s stability and of consensus of its different confessions based on a mutual coexistence as it was consecrated through Ta’ef Agreement in 1989, at the initiative and under Syria’s auspices. Ta’ef Agreement became an additional part to Lebanon’s Constitution.
Starting from the way Syria understands the complex situation in Lebanon and the political regime based on the consensus of its different confessional components, Damascus acted, together with the Arab states so that the Arab League (AL) adopt an integrated Arab initiative for solving the Lebanese crisis in accordance with the formula “no victors, no vanquished” which can preserve Lebanon’s stability and sovereignty and assure the noninterference in its domestic affairs. Syria exerted its efforts and support so that the diligences made by the General Secretary of the AL be successful and continues to hope that solving of the crisis should be done by the Lebanese themselves, without any interference from outside.

Syria acts together with its friends in Lebanon so that an agreement is reached through which the country’s president be elected based on consensus, a government of national unity be formed and the law for the parliamentary elections be adopted. Syria considers that all states having influence in Lebanon should use this influence for convincing the Lebanese groups to act for a consensual solution and not to obstruct the chances of solving the crisis.

GP: Another issue that produces acid reactions in the Western chanceries is that of the alliance between Damascus and Tehran and the support the two Capitals grant to the Shiite Lebanese movement Hezbollah, to the Sunni Palestinian movement Hamas or to opposition Palestinian factions on Syrian soil. How well-founded are these accusations?

HEWO: As far as relations with Tehran are concerned, Syria considers that through these natural ties with Iran, a state with an important regional weight, the stability in the area can be achieved. Such is the case of Syria’s relations with Turkey which aims at the same purpose.

Iran is an important state in the neighborhood of the Arab states in general and the Gulf area, in particular. Through its relations with Iran, Syria contributed always to diminishing the tensions in the Gulf area and gave assurances to the Arab states by explaining the policy promoted by Iran.

Syria is convinced that relations among the states should be based on dialogue and not to resort to pressures or isolation policies or imposing political conditions on other states.

As far as the Palestinians in Syria are concerned, their number is close to one million persons. They have cultural centers, their mass-media, clubs and sport clubs and represent the principal trends which fight, together with their brothers in the Occupied Territories, for regaining their rights and their territories.

The national resistance in Lebanon, represented by Hezbollah, is a resistance against the occupier and it fought for the liberation of the southern part of Lebanon from Israeli occupation and is fighting now for the liberation of Sheba’a Farms, of their prisoners and detainees.

It is a resistance movement which never did anything else but resistance.

GP: What about Iraq, Mister Ambassador?

HEWO: The situation in Iraq is extremely complex due, firstly, by the presence of occupation. There is no secret that the motivations and justifications for invading Iraq proved to be completely baseless and the consequences on the theatres of operations prove that.

The mere presence of occupation leads automatically to the appearance of the resistance. In such cases, the resistance is legitimate.

Obviously, the occupier created and spread chaos everywhere. The chaos and daily massacres allow certain groups to strengthen and adapt themselves to such conditions.

Syria stressed and continue to stress the necessity to end Iraq’s occupation and preserving the integrity of the Iraqi territory and people within the present country’s borders.

GP: Is Syria able and ready to contribute, as it did always, to unifying and uniting the Palestinian political forces and speeding up the process leading to the creation of a sovereign, independent and viable Palestinian State?

HEWO: We are not talking here about being able or ready. We are talking about principles. Syria was the first country to adopt the Palestinian cause and always contributed to bring nearer the standpoints when disputes occurred. We are now trying, and we enjoy the credibility of all Palestinian factions, to unify the Palestinians for reaching the legitimate goals of constituting the Palestinian independent state.
Interview with H.E. Dan Sandovici, Romania’s Ambassador to the Syrian Arab Republic

GP: A very short question Mister Ambassador: when and how will Golan return home?

HEWO: You know and everybody knows that Golan is a Syrian territory occupied by Israel during its aggression of 1967. That is acknowledged by international documents and resolutions and Syria will never give up its rights or territories no matter the circumstances.

We agreed to participate to the peace process in order to confirm our desire to recover our rights through peaceful means. Syria played an important role in moving off the peace process in the Middle East as it was agreed in Madrid in 1991. It always stressed the need for a comprehensive and just peace based on UN resolutions No. 242 and 338 and the principle “land for peace”.

Since then, achieving a just and comprehensive peace remained Syria’s strategic option. We negotiated with five Israeli governments and agreed about 85% of a supposedly peace treaty.

The negotiations were suspended in 2000 under the pretext of the Israeli government that the internal situation did not permit signing of what has been agreed upon.

Syria effectively contributed to the launching of the Arab peace initiative and participated at the Annapolis conference.

GP: A last question: what is the stage of negotiations for the Association Agreement between Syria and the European Union? Do you think that Romania’s integration into the EU grants chances for enhancing our bilateral cooperation in an European framework?

HEWO: The negotiations concerning the Association Agreement were finalized successfully and the text was initialed. We express our hope that Romania will play an effective role within the EU and that Syria’s voice can be heard and its true image be perceived by the European community.

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We inaugurated in December last year a Romanian library within our Honorific Consulate in Lattakia. The project of setting up a Romanian library in the premises of our Embassy in Damascus is quite finalized since we have already a number of albums and DVD about Romania as well as donations from the community. Some extra books should be nevertheless brought in.

GP: What is the present level of the bilateral Romanian-Syrian relations and how do the Syrians perceive us?

HEDS: Revitalizing the relations with the traditional partners and especially with the Arab world is one of the priorities of our foreign policy. Hence Syria enjoyed always a special place. Romania will always seek enhancing its cooperation with Syria considered one of the cradles of the civilization in the Mediterranean area.

Recent developments in Romania’s industry can be seen on Syria’s streets through the impressive number of Romanian-made cars. Also, the two countries set up several joint industrial projects.

The Syrian community in Romania numbers around 10,000 persons, many of them being respected professionals in the Romanian society (doctors or businessmen). Some 80% of them are graduates of the Romanian higher institutes. All that may enhance the cooperation relationship between the two countries and peoples in all fields.

GP: What can be Romania’s contribution to enhancing the dialogue among the civilizations, between the West and the Arab world in with Syria in particular?

HEDS: One of the most important dimensions of Romania’s foreign policy, in the framework of European Union’s strategy, is the neighboring policy with the countries of the Mediterranean Basin, promoting democratic values, supporting the regional stability and cooperation to the benefit of both European states and the Southern and Eastern Mediterranean states. We are promoting the tendency of creating a European Union’s “circle of friends”. Romania may bring a new impetus to the dialogue of civilizations, precisely between the EU and the Arab world, mainly by capitalizing its rich expertise in the political, economic and cultural dialogue with the Arab world.

GP: Would you, Mr. Minister counselor, present us a short retrospective of the bilateral economic relationship during the last decades of the XX-th century?

AC: The Romanian-Syrian relationship had a quite interesting evolution, to the benefit of both sides. Let’s start with 1956 when the governments of the two countries signed a payment agreement providing for exchanging goods with payments from a barter account. The bilateral economic relationship developed strongly until 1967 when, due to the developments in the area and Romania’s maintaining its diplomatic mission in Israel, the diplomatic ties between the two countries were suspended and Romania was subjected to the provisions of the Arab Boycott of Israel. Geographic proximity and common interests determined resuming bilateral relationship in 1972. We may say that year witnessed an intense relaunching of the bilateral economic relations. Both countries’ economies were complementary and Romania offered Syria its valuable experience in
the field of industrial infrastructure. Romania was engaged all major development projects i.e. petrochemical industry, cement industry, land reclamation on large areas, fertilizer industry and phosphate industry, in fact whatever Syria possessed as raw material and could build later on, horizontally.

Secondly, we should think of late 1981 when the Romanian Bank for Foreign Trade signaled in a veiled way Romania’s foreign exchange crisis, an international lack of banking credibility and, the same way Romania supported Syria it was Syria’s turn. Romania was importing at a certain moment 4 million tons of Syrian crude oil a year with payment facilities of 90 days. So we can say Syria granted our country for years on the fuel our economy needed to keep running.

The most recent episode of our bilateral economic relationship is the post 1990 period when Romania was practically restructuring completely its economic system and the yearly value of bilateral commercial exchanges are rapidly increasing. One can see that in 1994 the volume of commercial exchanges reached 170 million US dollars to which we can easily add 50 million US dollars the value of the services provided by the Romanian side (services are not recorded usually in the commercial balance).

Generally speaking, Romania ended its transition period while Syria has overcome some of the most difficult benchmarks of its transition. The two countries’ economies are no longer complementary so we have to intelligently devise ways of further enhancing the bilateral economic relationship. We could say that we succeeded in identifying some interesting fields in which the Romanian companies can mark a lasting presence and we mean electricity sector (power transformers, control panels, electric cells), irrigations (water pumps and driving motors) and other fields in which our Syrian partners are interested.

GP: Under the circumstances of a market economy, what is the role the Economic and Commercial Promotion Office of the embassy and how can it contribute to the enhancement of the bilateral relations?

A.C.: As of 2006, Romania ’s Commercial Offices abroad become Economic and Commercial Promotion Offices and turned into a system of conveying all market information available in Romania or Syria . We have institutionalized another system of contacts with the main Chambers of Commerce, Industry, Agriculture, Maritime and Tourism in both countries which succeeds in connecting Syrian investors, Romanian investors, Syrian exporters, Romanian exporters and in general the business communities. The results are, so far, encouraging.

The meeting we have regularly with the local Chambers of Commerce yielded promising results. Many Syrian investors and business people decided to visit Romania where they established business partnerships finalized in export and import contracts.

The Ministry of Small and Medium Sized Enterprises in Romania is conveying in real time the economic information we feed on different electronic sites where the interested companies can access it and turn it to better use.

GP: How can you characterize the actual status of Romanian-Syrian commercial exchanges, how active is Romania on the Syrian market and what are the main directions followed?

A.C.: The volume of the bilateral commercial exchanges is a normal one and that means it could further improve. In 2007 we had a total volume of 145 million US dollar, out of which 120 million US dollar Romanian exports. When we are talking about these figures we have to take into consideration that the purchasing power in Syria is limited and this is why many of Romania ’s exporters prefer to deliver goods to European markets where the prices are better.

The mentioned volume will surely increase since the favorable premises leading to that on both the government level and on the private sector level were established. We have a Syria-Romania Business Association visiting Romania twice a year for finalizing export and import contracts.

GP: What are the main actions under way?

A.C.: We are normally focusing on continuing the economic cooperation carried out in the 80’ies. The Romanian suppliers deliver spare parts and render technical assistance for
maintaining modernizing or even building different units at Banias and Homs refineries, at Sheikh-Said cement plant and in the energy field.

We are also closely following the ambitious Syrian programs in the hydrology field, where the Romanian companies can deliver the needed equipment (see Balikh projects) or the future water pipeline connecting Deir Ez-Zor to Palmyra.

GP: How do you asses the contribution Romania could bring to the development of the economic relationship between the European Union and Syria?

A.C.: It is a sensitive question. The ratification of the Association Agreement between the European Union and Syria initialed in 2004 was suspended by the former. Nowadays, the economic relationship between Syria and the European Union (of which Romania is member and is subject to its legislation) are still governed by the Cooperation agreement signed in 1977. One could surely say that the issue of enhancing the economic relationship with Syria can be tackled on an individual basis by each member state. There are no restrictions but there are questions connected to guaranteeing the investments, or of certain risks implied by the cooperation with Syria. Romania can definitely bring its contribution since it has a rich experience, the nature of our economic cooperation with Syria did not change, we have strong points, so the issue lies with each business community in the European Union to identify and apply the most appropriate means and ways for developing the economic cooperation with Syria.

GP: Do you have anything worth adding to this economic chapter?

A.C.: When approaching the economic cooperation with a country such Syria, one needs a certain experience and creativity. It is sure the bilateral economic and commercial cooperation can be further enhanced to the benefit of both sides. Future prospects indicate that Syria will be a launching pad for Romania’s exports to the Gulf countries as will be Romania for the Syrian goods towards neighboring countries.

Instead of conclusions

We have been trying to present a truthful image of Syria today: therefore, we insisted mainly on the economic aspects, and we did not neglect the country’s foreign affairs. Even though this special issue is more voluminous than the regular ones, maybe it could not deal with all the aspects of economic, political and social life in this country. Still, as our material represents a thorough research, we believe there are enough elements for the reader to understand the political, economic and social situation of Syria in the beginning of this millennium.

However, it is certain that today Syria is beyond the developing stage it was into, during the period 1980 to 2000. Its image is much more than the one presented so many times by the media. Syria has many things to show to the world, and it is not only a state in the “axis of evil”, sanctioned by the USA and other countries.

Of course, the Syrian political system is still to be improved; the country still has a long way to go toward democracy and full respect of the human rights. However, this journey would be much easier if the country received consultancy, support and collaboration, instead of having to face certain attitudes and positions imposed by the others, many times without any consideration for the local and regional peculiarities.

Corneliu PIVARIU- Chairman&CEO INGEPO Consulting, member of the International Institute for Strategic Studies- London
A great Lady of Culture and dialogue:
Dr. Najah Al-Attar, Vice-president of the Syrian Arab republic for Cultural Affairs.

Madam Najah Al-Attar is, since 2006, Vice-president of Syria for Cultural Affairs. Her Excellency is, at the same time, the custodian of two premiere for Arab community in the Middle East: the first woman minister of this part of the world and the first Arab woman appointed in one of the highest positions of the state: that of country’s Vice-president.

Madam Najah Al-Attar was born in Damascus in 1933 as daughter of a family deeply filled with patriotic and nationalistic sentiments: her father participated in the 1925-1927 Arab Revolt against the French Mandate in Syria.

In 1957 she got the Arab Literature degree at Damascus University and later on the Ph.D. in the same field with the Edinburgh University in Great Britain.

She was a director for Creativity and Literary Translation with the ministry of Culture (starting with 1962) and was appointed, on August 7th, 1977, as Minister of Culture and National Guidance by the late President Hafez Al-Assad.

With a perfect and refined hospitality, our hostess met us in the her smart protocol saloon nicely lighted by a morning of early May.

We wished firstly to learn what culture is and so we asked: “What is culture” and Madam Dr, Najah Al-Attar make it clear in a calm voice. Yes, culture gathers in itself the values created by each national identity and we can discuss of culture as an instrument of dialogue and communication among cultural identities, that means among creative freedoms. Culture means also the contribution of long lasting values of cultural freedoms to forming in time an inheritance which, in a way, does not belong any longer to the identity which created it and which is called universal culture. Our collocutor ads argument: the famous archeological site of Ugarit, where the first alphabet in the world was devised, is juridical property of the Syrian state and, at the same time, is the property of History, of the past and future universal spirituality. Ugarit does not belong only to Syria, only to the Ministry of Culture or to the Syrian archaeology, but is part and parcel of our terrestrial universe. What about the dialogue among cultures and civilizations, we asked our collocutor knowing her position of President of the Syrian Centre for Dialogue among cultures and civilizations.

Before discussing about communication and dialogue we have the duty to unequivocally the fundamentals: what are the cultures eligible to convey positive values? What instance has the right to decide who is and who is not eligible, what is positive and what is not particularly nowadays when we talk about the culture of tolerance, about the culture of dialogue and, why not, about the culture of creating and consuming culture, about crime culture, culture of violence, culture of terror etc.

From this standpoint, Dr, Najah Al-Attar is deeply convinced that we all are “condemned” to pursue the dialogue among cultures, a dialogue spontaneously separating good from evil and without sentences pronounced by international cultural tribunals. It is a desideratum which, when Man bite Paradise’s apple thought for the first time to communicate.
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