



9Th Annual Investment Report in Syria



2014

9Th Annual Investment Report in Syria



President Bashar Al Assad: *«It is essential to finalize suitable circumstances to encourage , diversify investments and to direct them towards promising sectors in our country, overcoming bureaucratic obstacles which they face»*

«When we announce figures, they should be related to citizen`s reality we should not talk about them as abstracts»

«Investor does not look for relieves only, he looks for, correct mechanism which stops corruption and which procure qualified work force».

Introduction:

The Annual Economic investment report of Syrian Investment Agency (SIA) for the year 2014, is issued in line with the continuous aggressive global war, launched against our country and free decision to drain its power and capacities.

And within those hard and exceptional circumstances which affected investment climate in Syria too much, Syrian economy is still resisting all difficulties. Initial data of SIA, shows an increase in interest to invest . And many investors are keeping on implementing their projects. In 2014, Sixty four (64) projects had establishment licenses, as per provisions of legislative decree Nr.8 of 2007, while in 2013 they were (49) projects. Also, in 2014 number of implemented and under implementation projects reached up to 35 projects compared to 13 projects in 2013.

The government's methodology in the current time is to move from the principle of crisis administration to the principle of adaptation with crisis, throughout gradual work to prepare for reconstruction phase. Therefore the coming period shall witness big challenges and new works and tasks shall be borne by SIA , all within the framework of government's work and methodology, and this is taken into consideration in its annual plan which included setting one , unified investment law in Syria , and accomplishing automation of work of SIA, aiming at simplification of procedures for investors, in addition to finalizing investment map which has the priority for the coming period and following –up files of international cooperation with friend countries.

General Director
Eng. Hala Isbir Ghazal

Contents:

Chapter One : Macro economy indicators:

- Public Budget.
- Economic variables in national economy according to national calculations.
- Net product and production at the cost of production factors in fixed prices of 2000 .
- Gross national production in market's fixed prices of 2000 .
- Gross national product in market's fixed prices of 2000.
- Capital formation (public and private sectors investments).
- Trade balance .
- Payment balance .
- Unemployment rates.
- Work force volume .
- Monthly wages

Chapter Two: Investment climate in Syria:

- Investment economic , trade and Arab organizations and commissions in which Syria is a member .
- Laws and decisions which support investment in Syria .
- The most important laws and legislations on financial and monetary policy level .
- Decisions and measures taken by Central Bank of Syria to achieve complete liberalization of current account to attract FDI.
- Decisions of Crediting and Currency Council to find attractive environment for investment .
- Procedures taken by Central Bank of Syria to enhance investment climate in 2014.
- Syrian indicators in business practice in 2014 .
- Future vision of investment climate .
- FDI.
- Investment incentives.
- The most important procedures related to crafts and industrial cities and zones.



Chapter Three : Syrian Investment Agency (SIA)

- Policies and Objectives .
- Administration of SIA .
- Organizational chart of SIA.
- Activities and accomplishments of SIA in 2014 on :
 - Services granted to investors level.
 - Investment and economic studies level.
 - Investment map development level.
 - International cooperation level.
 - Following –up level.
 - Media and promotion level.
 - Organizational issues and human resources level .
 - Legislations and laws level .
 - Launching branches of SIA level.
 - Technical level.

Chapter Four : Investment projects as per investment encouraging laws.

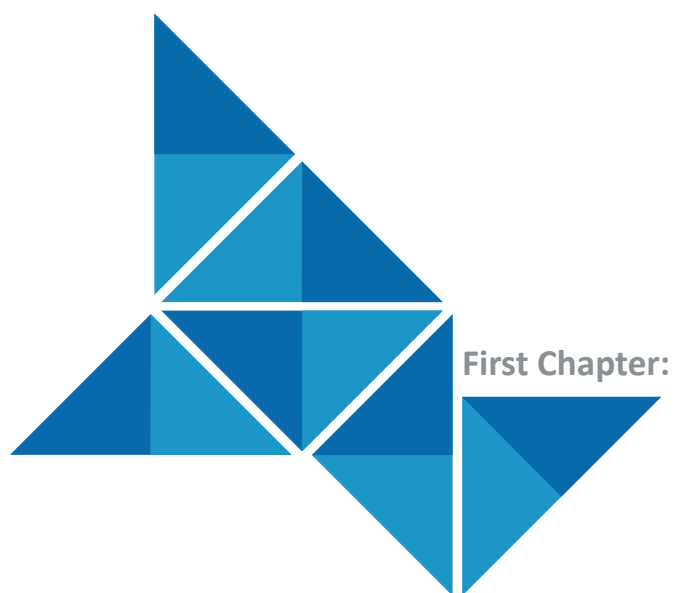
Licensed projects

- Projects licensed as per legislative decree Nr.8 of 2007.
- Projects licensed as per investment law Nr.10 during the period 1991-2006.
- Cancelled projects.
- Implemented and under- implementation projects.
- Industry sector.
- Agriculture sector.
- Health sector.
- Industrial cities and zones .
- Free zones sector.
- Tourism sector.
- Education sector.
- Insurance sector.
- Real –estate sector.
- Oil, energy and mineral resources sector.
- FDI.

Suggestions to develop investment climate in Syria.
Recommendations

Annexes:

- Annex (1) Agreements.
- Annex (2) Directory of the most important electronic sites.



Macro economy indicators:

Building an economic, successful policy which is attractive for local and foreign investments, enforces the position of a state as an economic power. It is very well known that economic cycle in all its stages affects investment activities, thus accurate analysis and study of economic indicators help investors in taking correct decisions related to volume and type of investments.

This most important economic indicators in Syrian Arab Republic, depending upon data issued by the ministry of finance, Central Bank

of Syria and the Central Bureau of Statistics.

Public Budget :

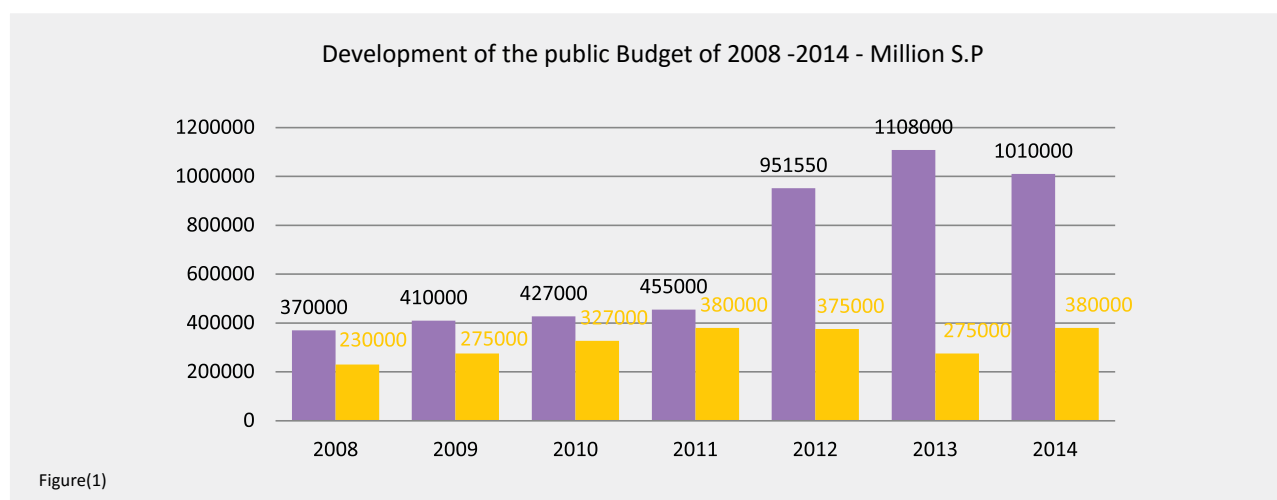
Public budget in Syrian Arab Republic developed during the period 2014-2008. Credit at the beginning of that period was 600000 million S.P ,while in 2014 the credit was at 1390000 S.P, which indicates an increase averagely at %14 per year. The share of current of expenditure of the total credit formed averagely %65 while investment expenditure formed %35 during the period from 2008 up till 2014.

Table(1) Development of public budget (current and investment) 2008-2014

(million S.P)

Budget\ Year	Current	Investment	Total
2008	370000	230000	600000
2009	410000	275000	685000
2010	427000	327000	745000
2011	455000	380000	835000
2012	951550	375000	1326550
2013	1108000	275000	1383000
2014	1010000	380000	1390000

Source: Ministry of Finance



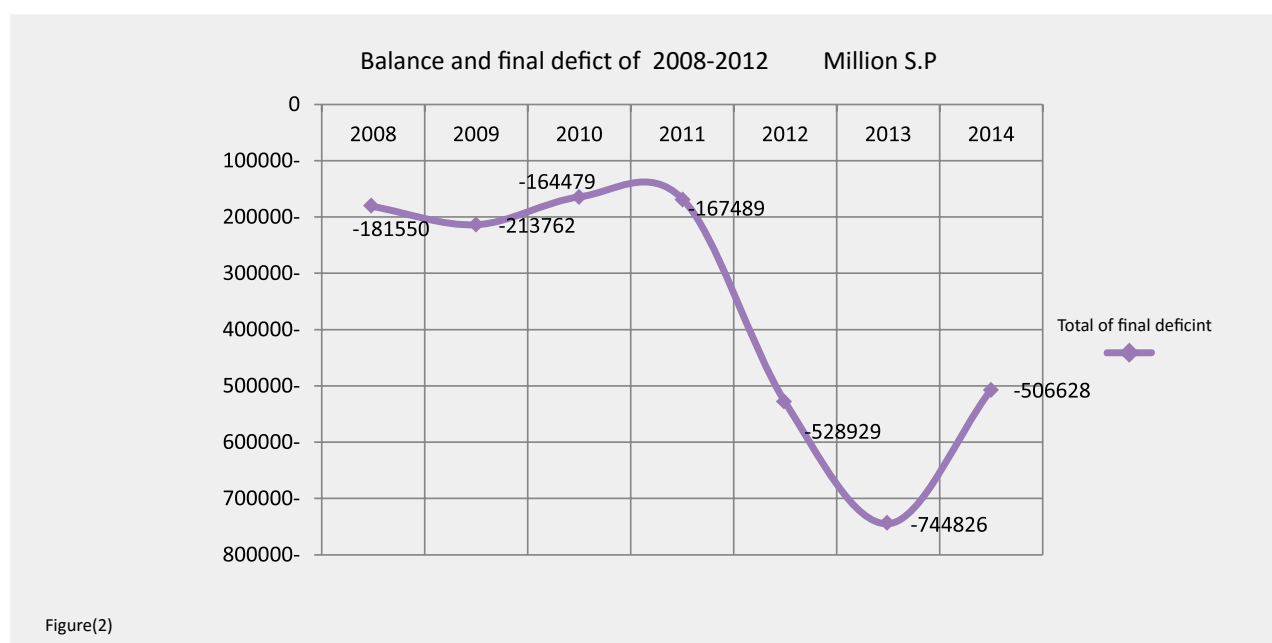
Data of the previous report was adopted because no new data was received from the CBS.

Table(2) Total Revenues during 2008-2014

(million S.P)

Item	2008	2009	2010	2011	2012	2013	2014
Current local revenues	308497	331324	400494	454467	278487	189000	318196
Investment local revenues	993032	127618	177092	194192	500566	444962	547698
Grants , credits and foreign resources	10650	12296	11935	18852	18568	4212	17478
Total of investment revenues	109953	139914	189027	213044	519134	449174	565176
Total of revenues	418450	471238	589521	667511	797621	638174	883372
Total of final deficit	-181550	-213762	-164479	-167489	-528929	-744826	-506628

Source: Ministry of Finance



Economic variables in national economy as per national calculations :

National calculations are the most important economic indicators from which decision makers can profit (on general and investment levels) by analysis of its items and totals. We state here under some of those indicators:

First : Net national production and product at the cost of production factors in fixed prices of 2000:

The value of local product measures the capacity of national economy to produce commodities and services and the increase of what an economy produces of commodities and services, and which leads to providing more job opportunities and investment and to the increase of production again.

Table(3) Net local production and product at the cost of production factors 2007-2010 [In fixed prices of 2000 in million S.P]

Item	2007	2008	2009	*2010
Total production in the price of product	2206821	2285909	2423488	2508743
Intermediate consumption	922786	944393	1002655	1039040
GDP in market's price	1284035	1341516	1420833	1469703
Depreciation of fixed capital	48350	50736	53329	55890
Net domestic product in market's price	1235685	1290780	1367504	1413813
Net of indirect taxes (taxes and subsidies)	205972	168873	1643	-23544
GDP at the cost of production factors(Total)	1490007	1510389	1419190	1493247
Net GDP at the cost of production factors	1441657	1459653	1365861	1437357

Source: Website of the Central Bureau of statistics
(*Initial figures)

Second: Total local production in market's fixed prices of 2000:

Total local production in market's prices indicates the value of services and commodities produced including non-complete production and self-usage products based on the markets value in producing enterprises. Available approximate data refers to that total local production increased in 2010 in markets fixed prices of 2000 at %3,5 compared to previous year. In 2010 it reached up to (2508743) million S.P. Change rate in 2009 was %6,02 against that of 2008. We find that converted industries sector was in the first rank in total local production in 2010 at %34 . then wholesale and retail sector and agriculture sector at %15 and %14 consequently as per the following table.

Table(4) GDP production as per sector in fixed prices of 2000 (million S.P)

Economic sector	2007	2008	2009	*2010
Agriculture	378378	356210	394265	362119
Industry and Mining	754497	779571	813518	854914
Building and Construction	145516	134609	140623	146968
Wholesale and retail trade	320126	366047	375786	380521
Transport and storage	220648	247725	252768	277085
Finance , insurance and properties	77468	81704	87817	93311
Social and personal services	82644	92450	100771	109840
Government services	202464	201501	235998	261524
Non- profit commissions	1210	1269	1383	1522
Customs duties	23870	24823	20559	20940
Total	2206821	2285909	2423488	2508743

Source: Website of the Central Bureau of Statistics
(*Initial figures)

Third: GDP (product) in market`s fixed prices of 2000:

The total local product rate in market`s prices of 2000 kept on positive at a growth average of %5 . It increased in 2010 1469703)) million S.P at %3,43 against that of 2009. the following table shows the contributions of economic sectors in product, where industry, mining, trade and agriculture had the big share.

Table(5) GDP in fixed prices of 2000 (million S.P)

Economic sector	2007	2008	2009	*2010
Agriculture	252856	234872	265048	239527
Industry and Mining	299061	310654	321505	348729
Building and Construction	53096	48797	51399	53443
Whole sale and retail trade	249817	289807	294887	295061
Transport and storage	152564	167247	174988	190829
Finance , insurance and properties	69909	72798	75364	79672
Social and personal services	39647	49474	53927	58780
Government services	165836	167391	187676	206887
Non- profit commissions	779	817	890	980
Customs duties	23870	24823	20559	20940
(-) Calculated money services	23400	25165	25411	25145
Total	1284035	1341516	1420833	1469703

Source: Website of the Central Bureau of statistics
(*Initial figures)

Fourth: Capital formation (Investments of public and private sector):

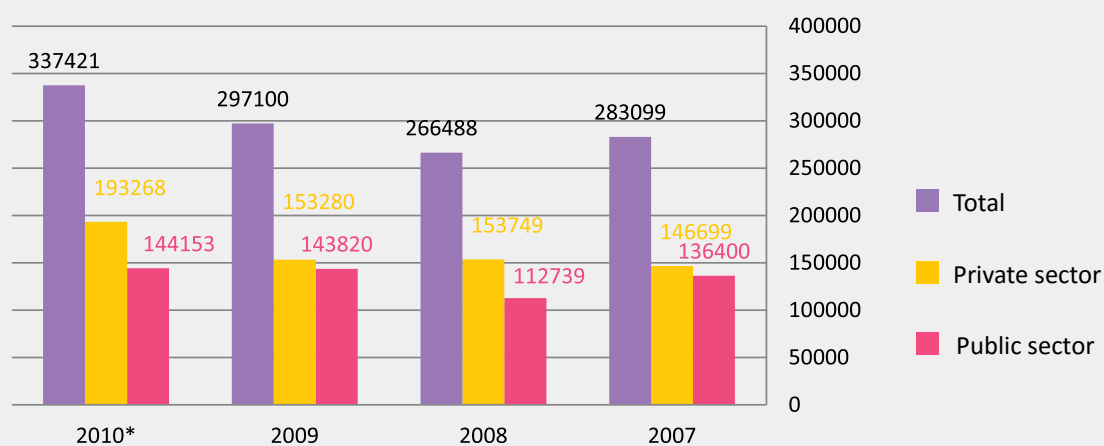
Contribution of private sector in capital formation increased in 2010 up to %57 against %52 in 2009. While public sector did not:

Table (6)Investments of public and private sectors

Year	Public Sector		Private Sector		Total
	Million	Contribution rate	Million	Contribution rate	
2007	136400	48	146699	52	283099
2008	112739	42	153749	58	266488
2009	143820	48	153280	52	297100
2010*	144153	43	193268	57	337421

Source: Website of the Central Bureau of Statistics

investmentst of public and private sector`s - Million S.P



Figure(3)

Fifth: Trade balance:

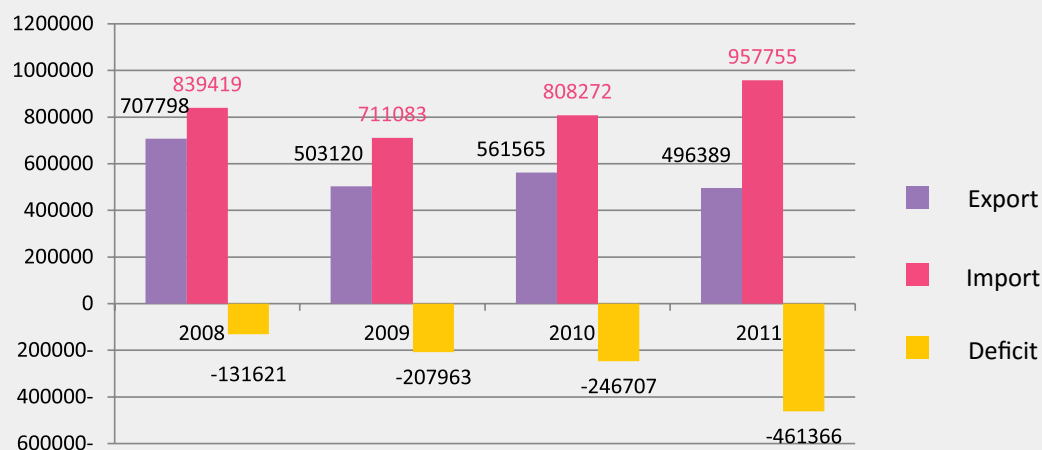
We find out a deficit in trade balance which increased up to /461366-/ million S.P in 2011.

Table (7) Trade balance of the years 2008-2011 (Million S.P)

Year	Export	Import	Deficit
2008	707798	839419	-131621
2009	503120	711083	-207963
2010	561565	808272	-246707
2011	496389	957755	-461366

Source: Central Bank of Syria

Trade balance 2008-2011

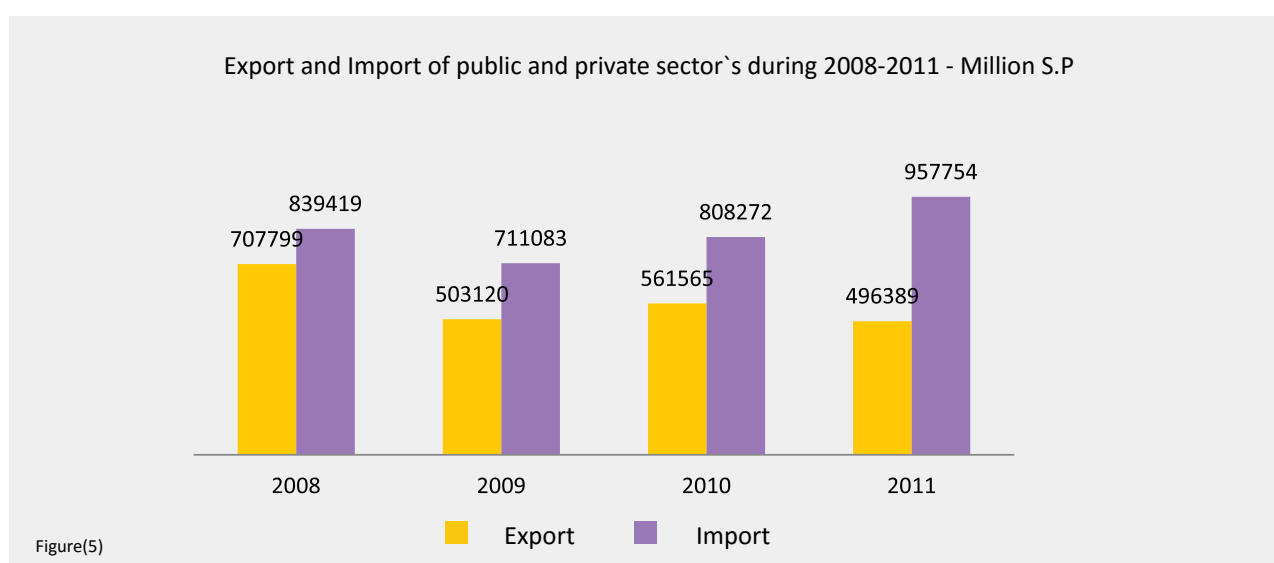


Figure(4)

Table(8) Exports and imports of public and private sectors during the period 2008-2011 (million S.P)

Year	Exports value			Import Value		
	Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
2008	283442	424357	707799	291472	547947	839419
2009	176478	326642	503120	103486	607597	711083
2010	281119	280446	561565	201802	606470	808272
2011	253870	242519	496389	250306	707448	957754

Source: Central Bank of Syria



Table(9) Imports and Exports according to countries during 2011-2012 (million S.P)

International masses	Imports		Exports	
	2011	2012	2011	2012
Arab countries	131534	118025	199844	131969
EU countries	270420	198161	201424	12401
Other EU countries	164091	250839	6009	4018
American countries	72835	38682	19420	2838
Different Asian countries	311449	176875	43698	7988
African countries	4696	2948	1982	1297
Oceanic countries	4205	3399	92	49
Other countries	5698	5349	32637	35892
Total*	964928	794278	505106	196452

Source: Website of the Central Bureau of Statistics

*Official exchange rate of USD in 2011 was 48,56 S.P for import and 48,10 for export and in 2012 it was 61.81 S.P for import and 64,42 S.P for export.

Sixth: payment balance:

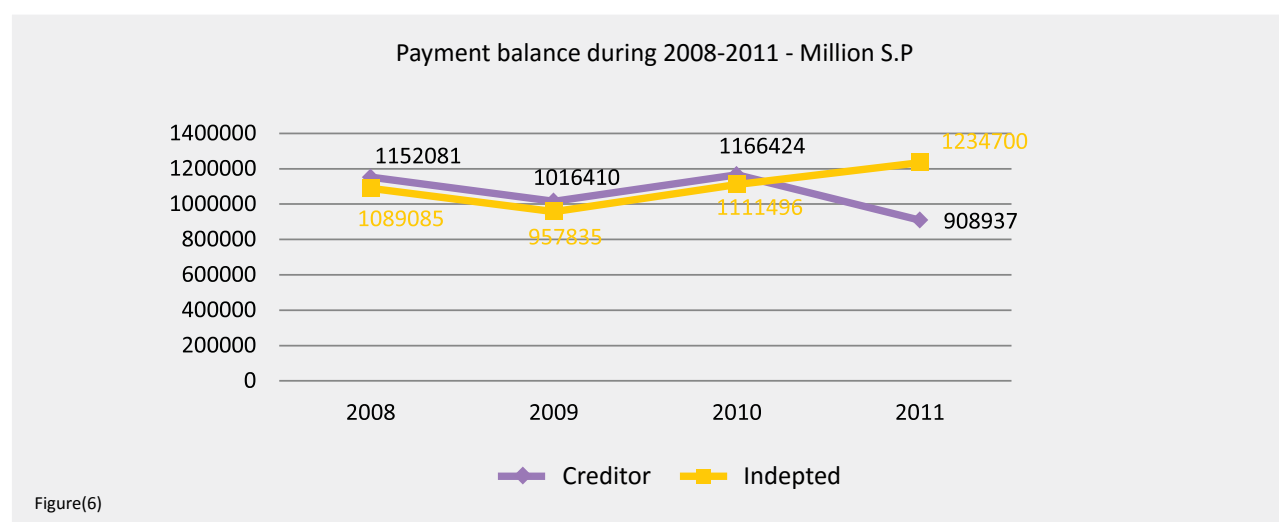
Deficit of total payment balance in current prices in 2011 was (325763-) million S.P while in 2010 it achieved a surplus of 54928 million S.P as per the following table:

Table(10) Payment balance 2008-2011 (million S.P)

Year	Creditor	Indebted	Balance
2008	1152081	1089085	62996
2009	1016410	957835	58575
2010	1166424	1111496	54928
2011	908937	1234700	-325763

Source: Central Bank of Syria

Exchange rate equals 48,34- 46,51-46,71 – 46,56 for the years 2011-2010-2009-2008 consequently.



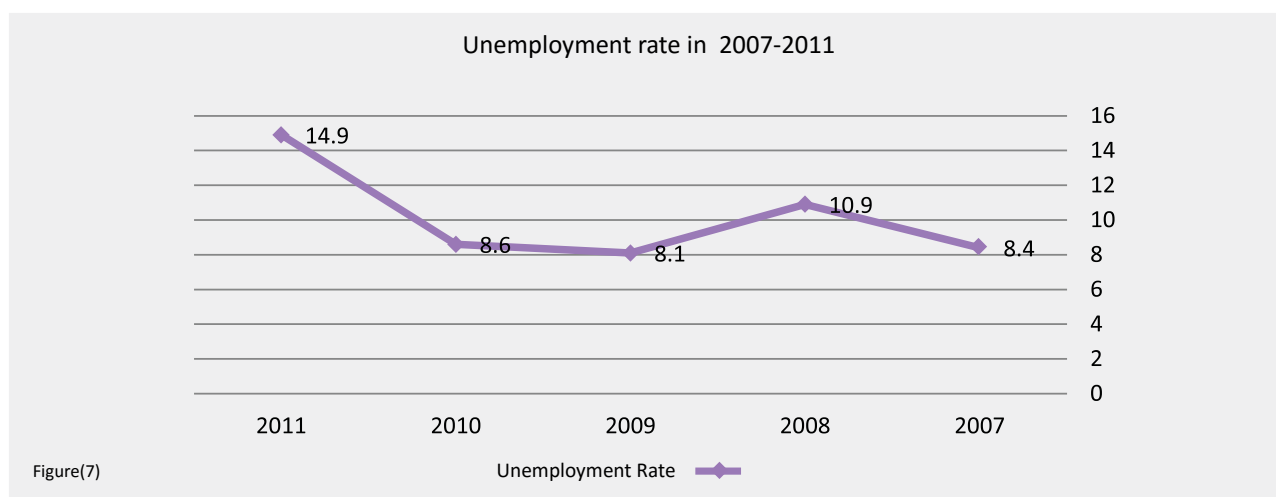
Seventh: Unemployment rates:

Unemployment rate in 2011 was (%14,9) while in 2010 it was %8,6 .

Table(11) unemployment rate 2007-2011(%) (million S.P)

Unemployment rate	2007	2008	2009	2010	2011
Male	5.2	8.3	5.7	6.2	10.4
Female	25.6	24.2	22.3	21.9	37.1
Total	8.4	10.9	8.1	8.6	14.9

Source: Website of the Central Bureau of Statistics



Eighth: Workforce volume:

Male workforce is more dominant but , an increase of female workforce is remarked:

Table(12) Workforce 2007-2011 (thousand)

Workforce volume	2007	2008	2009	2010	2011
Male	4553	4555	4638	4696	4838
Female	847	888	804	834	977
Total	5400	5443	5442	5530	5815

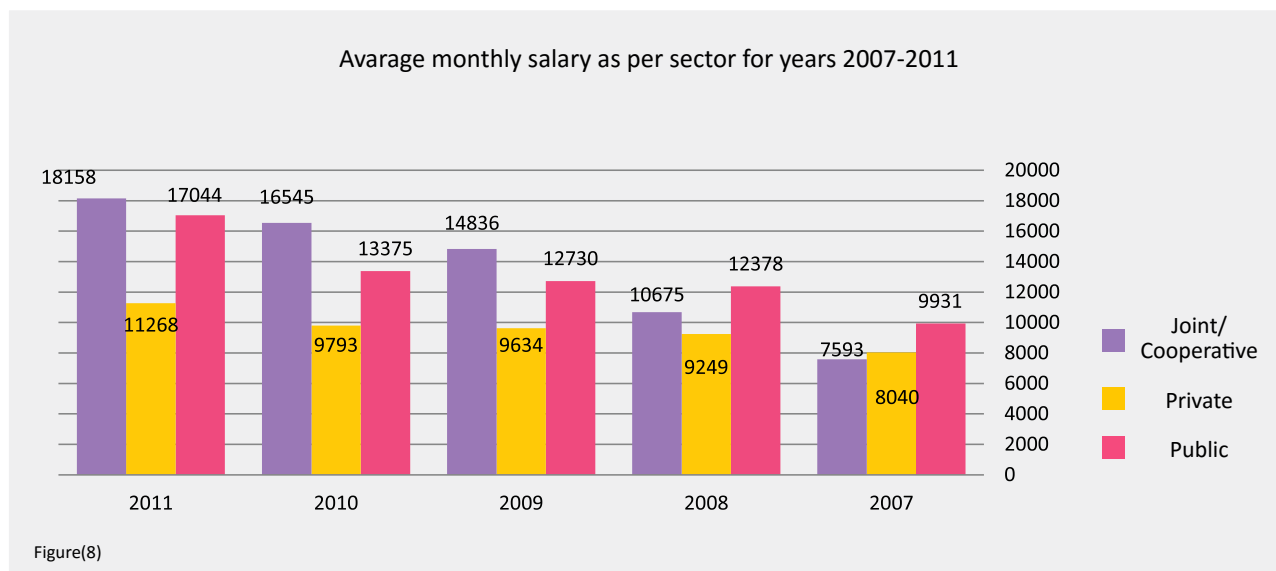
Source: Website of the Central Bureau of Statistics

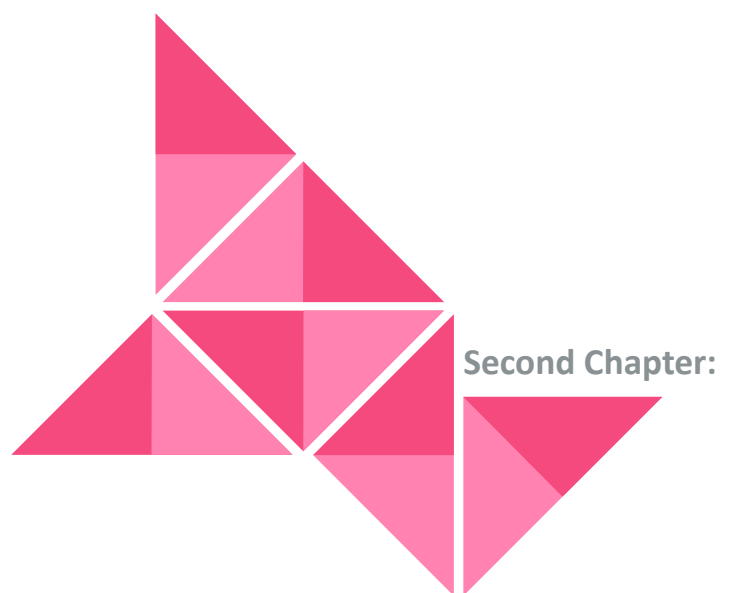
Ninth: Monthly salary:

Table(13) Average monthly salary as per sector for the years 2007-2011 (S.P)

Sector	2007	2008	2009	2010	2011
Public	9931	12378	12730	13375	17044
Private	8040	9249	9634	9793	11268
Joint/ Cooperative	7593	10675	14836	16545	18158
Average	9017	10719	11096	11344	14069

Source: Website of the Central Bureau of Statistics





Investment climate in Syria

Investment in Syria has a great importance , therefore the Syrian government encouraged investment and supported this sector to increase the volume of private, national and foreign investments, throughout finding economic, social and political conditions to encourage investors, and by providing best circumstances to guarantee the success of investment process.

- ▶ Strategic geographic location.
- ▶ Diversified natural resources.
- ▶ Wide and diversified market, and competitive human resources.
- ▶ Available investment opportunities of all sectors.
- ▶ Industrial complexes and zones with necessary infrastructure.
- ▶ Continuous modernization of investment regulating legislations.
- ▶ Special advantages, exemptions and facilitations for investment projects.
- ▶ International and Arab agreements to guarantee foreign capital.
- ▶ Government orientation towards encouraging local and foreign investments.

Investment is a strong strategic base for national economy mainly during the coming years after the crisis, this is why adequate investment climate is essential by providing and modernization of laws, activation of financial legislations and international agreements in a scientific methodology, to achieve comprehensive economic development. This chapter states all Arab World commissions and organizations in which Syria is a member or well as the most important laws which regulate investment and monetary and financial policy.

Laws and resolutions which regulate investment in Syria:

There are many laws and legislations which govern investment policies, and the mechanism of granting licenses and investment incentives in Syria. We state hereunder some of them.

- ▶ Resolutions regulating transport projects.
- ▶ The system of granting investments to oil companies and which is adopted by the Ministry of oil and Mineral Resources.
- ▶ Law Nr. 32 of 14.11.2010 related to public policy of electricity sector in Syria.
- ▶ Legislative decree 81 of 2010 related to establishing Syrian holding investment company its shares are all owned by government ,named the Syrian Shareholding Company for Investment
- ▶ Decree Nr.30 of 2010 related to bank secrecy.
- ▶ Law Nr.4 of 2009, related to electronic signature and network service .
- ▶ Law Nr. 39 of 2009 related to establishing the General Commission for Supervision of Real – Estate Financing to organize this sector and to develop savings, all to enforce its role in national economy.
- ▶ Law 15 of 2008 related to real-estates investments.
- ▶ Legislative decree 61 of 2007 regarding giving permission to companies to integrate by reassessment of their fixed assets.
- ▶ Legislative decree (60) of 2007 related to establishing the State Financial Securities Markets.
- ▶ Trade Law Nr. 36 of 2007
- ▶ Legislative decree Nr.9 of 2007 related to establishing Syrian Investment Agency.
- ▶ Legislative decree Nr. 8 of 2007 related to encouraging investments.
- ▶ Legislative decree 55 of 2006 related to establishing Damascus Stock Exchange Market.
- ▶ Legislative decree Nr 43 of 2005 related to investment in sectors of insurance, health and high education.
- ▶ Legislative decree Nr.35 of 2005 which permits establishing Islamic banks in Syria.
- ▶ Legislative decree 57 of 2004 related to establishing industrial cities.
- ▶ Legislative decree /55/ of 2004 and its amendments related to granting final approvals for licensing for private institutional establishments.
- ▶ Decree 40 of 2003 which regulates investment in free zones and its amendments.

- ▶ Legislative decree 36 of 2001 related to licensing private universities.
- ▶ Law Nr.28 of 2001 related to private banks establishing.
- ▶ Law /33/ of 2003 related to licensing private vocational training centers.
- ▶ Resolution of the Supreme Council of Tourism Nr. 198 of 1987 related to tourism investment.
- ▶ Legislative decree /10/ of 1986 related to agricultural investments.
- ▶ The resolution of the Supreme Council of Tourism Nr.186 of 1985, related to tourism investments .With reference to that customs exemption stated in this decree are all replaced by legislative decree 51 of 2006.
- ▶ Decree 108 of 1971 of establishing the General Organization of Free Zones.
- ▶ Law Nr. 21 of 1958 related to encouraging industrial projects.
- ▶ Law Nr. 47 of 1952 related to small industries and handicrafts.

Laws and resolutions which support investment climate:

- ▶ Law Nr.33 of 2012 which is related to establishing commercial courts(Appeal and instance) in all governorates to become 70 instance courts and 15 appeal courts all over the country.
 - ▶ Legislative decree Nr.23 of 2011 related amendment of some provisions of the law of consumptive expenditure and the law of income tax.
 - ▶ Legislative decree Nr.24 of 2011 related to the amendment of some provisions of the law of stamp duty and the exemption of some dealings by Islamic banks from duties.
 - ▶ Companies law Nr. 29 of 2011.
 - ▶ Law Nr.9 of 23.2.2010 related to establishing a shareholding company named: Innovation Bank for Small and Micro Financing.
 - ▶ Law Nr. 17 of 2010 related to organizing work in private and cooperation sectors and Arab and foreign companies.
 - ▶ Law Nr. 18 of 2010 related to telecommunications.
 - ▶ Law 24 of 2010 related to protection of emerging industries.
 - ▶ Law 26 of 2010 related to organizing planning and place regional development processes.
 - ▶ Law (7) of 2008 related to Competition and anti – monopoly.
 - ▶ Law Nr.41 of 2007 related to establishing General Commission for Taxes and Fees.
 - ▶ The resolution Nr.2428 of 2006 related to establishing a new department to provide services to the VIP tax payers.
 - ▶ Decree Nr.51 of 2006 related to amendment of income tax law to decrease income tax.
 - ▶ Establishing a civil instance court in 2004 in all governorates to consider all legal proceedings related to investment disputes Courts were instructed to take their decisions without delays.
 - ▶ Law of the protection of national product from effects resulting from damaging effects in international trade.
 - ▶ Law of protection of mark of identification, geographic indicators, and industrial samples.
 - ▶ The resolution of unification of exchange rate on imports and decrease of rates of internal profit and the permission to open accounts in foreign currencies.
 - ▶ Allowing banks working in Syria to finance tourism projects on B.O.T basis.
 - ▶ Joining the Hague Pact related to international registration of industrial samples.
- Some reformatations were performed in the field of liberalization of trade and encouraging exports.
- Establishing the Supreme Council of Export.
 - Establishing the Export Development and Promotion Agency.
 - Establishing the Federation of Exporters.
 - Establishing the Exports Development Fund.
 - Cancellation of restriction and commission on all imports for state-owned establishments except cars and tires.
- ▶ Resolution Nr./49/ of 2009 related to obligatory insurance on industrial enterprises, schools and hospitals and bakeries against, dangers of fire, earthquakes and civil liabilities in addition to insurance against personal accidents and health insurance for school pupils and university students.
 - ▶ Resolution Nr.2590 of 2009 issued by the ministry of economy and trade regarding Free Zones which are not allowed to be imported.

- ▶ The national system related to management of health care wastes of 2011.
- ▶ Resolution Nr.4078/1 of 2012 issued by the prime ministry related to carbon capture of national project in the frame work of clean development mechanism.
- ▶ Resolution Nr.1307 of 2013 issued the ministry of state for environment affairs concerning granting and export , import approvals.
- ▶ Resolution Nr./77/ of 2015 related to granting approvals to import and export animal and botanic living creatures.
- ▶ Resolution Nr.78 of 2015 related to stop granting approvals for import and export and re-exportation of animal and botanic living creatures for one month in the year (The last month of each year).
- ▶ Executive instructions related to procedures of benchmarking of environment effect, amended by resolution Nr.818 of 2013.
- ▶ Publishing a circular to environment directorates in governorates (2013) to ease procedures of granting the environment approval related to chemical materials import licenses.
- ▶ Resolution Nr. /97/ of 2007 related to insurance investment companies was amended, and the resolution Nr.372/100 of 2011 to open new channels for insurance companies.

The most important laws and legislations on the level of financial and monetary policy:

- ▶ Legislative decree Nr.21 of 2011 regarding amendment of the basic law of currency Nr.23 of 2002 which allowed the central Bank of Syria as an independent entity in implementing monetary policies and to achieve its objectives to do the following:
 - 1- To work in financial markets by purchase and prompt sale or for long terms, crediting , borrowing or by agreements of re-purchase.
 - 2 - Issuance of government financial securities as an

agent of the ministry of finance.

3 - Issuance and circulation of deposit certificate, and Islamic and traditional derivatives and payment of suitable revenues against that.

4 - Providing crediting facilities throughout re-deduction and agreements of re-purchase, signed with banks and financial entities which accept deposit and are controlled by the crediting and currency council as per provisions of laws and regulations in force.

5 - Facilitation of deposit in banks and financial entities which accept deposits and are controlled by the crediting and currency council as per laws and regulations in force and paying suitable revenues against that.

- ▶ Legislative decree Nr.27 of 2011 related to combating money laundering and terrorism financing.

- ▶ Executive instructions of decree /33/ of 2005, which is amended as per legislative decree Nr.27 of 2011 related to combating money laundering and terrorism financing.

- ▶ Law Nr. /3/ of which stipulates increasing the maximum limit of the capital of traditional private banks up to 10 million S.P and up to 15 million S.P for Islamic banks in addition to increasing the percentage of ownership by Arabs and foreigners from 49% up to 60% of the capital banks, and it could be raised up to 75% on the condition that this increase should be in favor of the financial and banking sector.

- ▶ Legislative Decree Nr. 56 of 2010 related to establishing investment banks to encourage financing private investment activities and also the economic public sector and providing consultancies services.

- ▶ Legislative decree Nr. 88 of 2010 related to establishing shareholding companies for funding by renting.

Resolutions and procedures taken by the Central Bank of Syria to achieve the full liberalization of the current account to attract FDI

- ▶ Complete liberalization of processes of financing imports of private and joint sectors in foreign currency.
- ▶ Residents and non-residents are allowed to open currencies in foreign currencies at one of the licensed banks
- ▶ Gradual and controlled liberalization of capital account for enabling investors of having credits in foreign currencies to support foreign investments.
- ▶ Exchange companies are allowed to sell foreign currencies for importers from their accounts opened at private banks strictly or by issuing foreign transfers or remittances.
- ▶ Resolution Nr.67 regarding executive instructions of the resolution Nr.1131 of 2012 related to liberalization of exchange prices.
- ▶ Resolution of the prime ministry Nr.5938 of the year 2011 which stipulates decree of the obligatory reserve percentage from 10% to 5% to guarantee the stability of financial sector to enable it to face potential drawings, with the ability to decreasing rate of a part of banks deposits oriented to finance investment, tourism, green projects and SMEs and micro projects.
- ▶ Resolution of the prime ministry Nr.5937 of 2011 related to raising indebted interest prices , paid by banks on deposits for terms at two percents from [5-7%] +- 2% to [7-9%] +- 1% . And decrease of movement margin at one percent keeping a difference of 2% between the less rate on less term and highest rate on longest term.
- ▶ Resolution of the prime ministry Nr.5936 of 2011 , to allow licensed banks to deal with foreign currency to sell natural Syrian persons and for one time (USD or EURO) amounts up to 120 thousand USD , on the condition of depositing foreign currency at the same bank in the account of deposits of different terms.
- ▶ Resolution Nr.14184 of 2011, which allows licensed banks to finance imports of private and joint sectors for materials of customs duties 1% included.
- ▶ Resolution Nr.6187 of 2011, which stipulate cancellation of all resolutions and instructions which contradicts prime ministry`s resolution Nr.5938 of 2011.
- ▶ Prime Ministry`s resolution Nr.85 of 2010 which allows licensed banks to sell foreign currency required for investment projects licensed as per provisions of law Nr.10 of 1991 and its amendment and which have no amounts of foreign currency, in order to transfer profits

of invested capital by Syrians, Arabs and foreigners, all as per the foreign currency publication issued by the Central Bank of Syria.

- ▶ Complete liberalization of imports financing processes by allowing banks to finance imports of private and joint sectors in foreign currencies as per prime ministry`s resolution/5204/ of 2006.

Also the currency and crediting council issued many resolutions and regulations, to attract investments, as follows:

- Resolution Nr.1041 of 2013 which amended article Nr.1 of the resolution Nr.75 of 19-9-2004 regarding permitting natural persons listed in the article 100 of the law Nr. 23 of 2002 to obtain financing from any of the working banks.
- Resolution Nr.1051 of 2013 related to amendment of paragraphs of the currency and crediting council Nr.756 of 2011 and paragraphs of its executive instructions.
- Resolution Nr.963 of 2013 which grants Islamic banks in Syria additional periods to apply provisions of article (1) of the paragraph A related to work system of legislative control commissions at Islamic banks in Syria .
- Resolution Nr.939 of 2013 related to continuation of periods granted as per resolution Nr.826 of 2012 to finalize over dues on maximum rates of facilitation financing and foreign currency centers, coming out of the high exchange prices exclusively up to 30/6/2013 according to controls mentioned in the previously stated resolution.
- Resolution Nr.936 of 2012 related to the work system of the legislative control commissions at Islamic banks.
- Resolution Nr.919 of 2012 related to allocation of additional credit to the Cooperative Agricultural Bank in favor of the General Organization for Cotton Ginning and marketing, for the season 2012-2013.
- Resolution Nr.938 of 2012 which indicated the annual interest settled to public banks on credit debts and facilitations granted to entities of economic nature of the public sector.
- Resolution Nr.923 of 2012 regarding the commission percentage of /3/ per thousand of the transferred amount by the Central Bank of Syria from the accounts of money exchange companies in Syrian Pounds and

outside the city of the branch.

- Resolution Nr.903 of 2012 related to the approval upon opening a current account for internal money transfers companies in Syrian pounds at the Central Bank of Syria.
- Resolution Nr.902 of 2012 related to amending articles of the instruction attached to resolution Nr.597 and articles of the resolution Nr.650.
- Resolution Nr.901 of 2012 concerning adoption of executive instructions related to returned checks in banks working in Syria.
- Resolution Nr.899 of 2012 related continuation of work in ultimate limits of credit concentrations with bank groups and financial institutions abroad , which are stated in resolution Nr.751 of 2011 till 30/6/2013
- Resolution Nr.898 of 2012, regarding suspension of article Nr.6 of the prime ministry's resolution Nr.5938 of 2011 which stipulates the following: In case of formation of reserve account in foreign banks note a percentage of one per thousand is deducted from paid amounts.
- Resolution Nr.898 of 2013 regarding suspension of article Nr.6 of the resolution 5938 of 2011 which stipulates that in case of formation of the reserve account in foreign banknote, a percentage of one per thousand is deducted from the amounts paid in this account.
- Resolution Nr.882 of 2012 related to the approval upon contribution of Al Barakeh – Syria bank in establishing a limited liability company its objective is to work in the field of real-estate development as per provisions of law Nr.15 of 2008 at 35 million S.P
- Resolution Nr.888 of 2012 which allows licensed banks on borders points and airports, to change Syrian currency which are with non-Syrian passengers into foreign currencies, not exceeding 200.000 S.P.
- Resolution Nr.873 of 2012 which allows possession of all payment tools edited in foreign currencies and bank cards what so ever was their value, entrance and exit of Syrian pounds.
- Resolution Nr.850 of 2012 related to the opening of the second branch of the National Microfinance Institution (Syria) in Lattakia governorate.

- Resolution Nr.847 of 2012, which stipulates adoption of the system of certificates of deposits of traditional and Islamic banks.
- Resolution Nr 837 of 2012 related to the approval upon opening a branch of the Bank of Innovation Microfinance.
- Resolution Nr.829 of 2012 related to approval upon opening a branch of the National Microfinance Institution in Damascus.
- Resolutions Nr.818 of 2012 , related to amendment of article N.r1 of the resolution Nr795 of 2011 by the currency and Credit Council, regarding indication of debenture interest , which is paid by bank which work by deposits and debenture current accounts and accounts of investment certificates in Syrian pounds
- Resolution Nr.816 of 2012 , which allows residents and non-residents to open accounts in foreign currency at any of the banks allowed to deal with foreign currencies and to feed them in all payment tools in foreign currencies.
- Resolution Nr.812 of 2012 regarding investment of foreign currency surplus at banks.
- Resolution Nr.811 of 2012 regarding amending the net indebted creditor percentage of operational currency centers.
- Resolution Nr.817 of 2012, regarding cancellation of articles 1-2-4 of the resolution Nr.791 of 2011, related to commitment of money exchange institutions to perform foreign exchange processes executed by them within the margins specified in bulletins issued by the Central Bank of Syria on the time and date of implementation of process.
- Resolution Nr.800 of 2011 about currency exchange centers.
- Resolution Nr.799 of 2011 which states rules to be followed by the Islamic banks working in the Syrian Arab Republic, while concluding agreements of credit facilitations.
- Resolution Nr.770 of 2011 .Related to amending the first article of the resolution Nr.684 of 2010 of the Credit and Currency Council.
- Resolution Nr.769 of 2011 which permits banks and

exchange companies to transfer abroad what equals foreign currency banknotes of recipient by residents and non- residents, in compliance with provisions of decree Nr.33 of 2005 related to anti laundering and terrorism.

- Resolution Nr.768 of 2011 regarding the maximum limit of the commission on transfers issued outside Syria
- Resolution Nr.767 of 2011 related to commitment of micro finance institutions and banks in Syria to have monetary and obligatory reserve at the Central Bank of Syria, at rate not less than 5% of the total of assets under request and saving and term assets.
- Resolution Nr.762 of 2011 which allows banks and money exchange companies to sell foreign currency (swift) for non- Syrian as per the foreign exchange currency bulletin issued by the Central Bank of Syria on the date of selling.
- Resolution Nr.763 of 2011 related to the usage of definitions mentioned in this resolution within the framework of application of all resolutions concerning organization dealing with foreign currency.
- Resolution Nr.756 of 2011 , which included facilitations, to barter currencies ,to banks allowed to deal with foreign currency to fulfill need of those banks of liquidity of Syrian pound with the Central Bank of Syria and vice versa.
- Resolution Nr.751 of 2011 related to raising credit concentrations for banks working in Syria.
- Resolution Nr.744 of 2011, which allows banks and licensed exchange institutions to sell Syrian citizens (and those who are treated as Syrian) foreign currencies required to feed the account of international credit cards against settlement of counter value in Syrian currency according to specified limits and controls.
- Resolution Nr.666 of 2010 related to reduction of the obligatory reserves on part of the assets oriented to financing small and medium projects , tourism , green and industrial projects and financing of persons of special needs.
- Resolution Nr.536 of 26.7.2009 which allows establishments licensed by legislative decree Nr.15 of 2007 and its amendments to borrow from abroad to finance their activities in Syria, also it is allowed to transfer borrowing amounts and to settle installments of loans as well as commissions and profits not exceeding the amounts due abroad.
- Resolution Nr. 512 of 13.5.2009, to adopt instructions

of granting approval to open representing offices of banks and other financial institution (non Syrian) in Syria.

- Resolution Nr. 502 of 10.5.2009, related to reduction of reserved requirements on part of the assets, which are facilitations and financing of industrial sector from one point to five points, so that the rate of obligatory reserve imposed on part of banks assets is reduced.
- Resolution Nr. 460 of 31 .1.2009. Which allows Central Bank of Syria to finance banks in Syrian Pounds to support their liquidity, if financing aims were for investment purposes strictly.
- Resolution Nr. 461 of 2009, to exempt development investment projects, from commitment to instructions of bank risks concentrations. So that they do not exceed 35% of the total of net money instead of 25%.
- Resolution Nr. 395 of 29.5.2009. Regarding adoption of instructions of facilitations and financings given to natural or legal persons or to an integrated group, specified by 25% of banks money. Also the total of granted facilitations and financing by the bank to clients, each of them that exceeds the 10% of the net private money of the bank the limits of 8 doubles of those money.
- Resolution Nr. 381 of 27.3.2008 .Regarding granting bank facilitations in foreign currencies.
- Resolution Nr. 348 of 16.1.2008 which allows licensed banks to grant credits in foreign currencies to finance investment projects licensed by investment encouraging laws.

While in 2014 the Central Bank of Syria took many procedures to encourage investment financing , to enhance investment climate , to administrate and to implement monetary policy. We state hereunder some of those measures:

1- Measures to enhance investment climate in Syria :

A. Supporting production projects:

Keeping on granting short-term operation loans for industry men to finance working capital strictly in production projects, but those loans should not exceed one year as per recommendations of economic committee on 27/11/2014.

B. Supporting small and medium projects:

Within the framework of improving income, Syrian government started applying a bunch of economic policies aiming at developing SMEs and micro projects.

2- Procedures within the framework of monetary policy:

Monetary policy during the crisis:

Monetary policy which is decided by the Currency and Credit Council in Syria, and which is implemented by the Central Bank of Syria, goes in line with the total economic policy of the government throughout an evident policy to achieve certain objectives which are:

First: Achieving the stability of local prices general level.

Second: Keeping on stability of monetary and bank system and to guarantee its competitiveness in order to protect the purchase force of local currency and growth and stability of financial markets.

Third: Supporting government's policy to achieve sustainable growth and employment within the framework of the policy CBS exerted efforts to keep on stability of exchange prices of the Syrian pound in the light of demand and supply on foreign currency mechanism, and as per available tools to achieve price that goes in line with markets processes away from expectations and CBS followed traditional and non-traditional procedures to stop regression of exchange procedures the S.P even by innovating mechanisms to overcome difficulties emerging from decrease of foreign currency resources, to be used for financing imports.

Here are some of those procedures:

A. Direct intervention in foreign currency market by selling foreign currency in markets to banks and to money exchange companies. The intervention was a qualitative one in subsequent periods to correct any defect that may appear in the structure of demand and supply in local market, whether for financing commercial processes to fulfill enquiries of non-trade purposes of currency, and to fulfill demand of market promptly.

B. Controlling sale and purchase and implementing transfers at banks and money exchange companies for individuals and for institutions for trade and non-trade purposes allowing money exchange entities to use a part of the outcome of transfers to finance demand on foreign currency for import purposes, besides keeping on sale of necessary foreign currency by CBS

to finance imports of basic commodities to fulfill main requirements of local market.

C. Strict control over parties participating in the market, aiming at speculating of Syrian Pound. And by prohibition of currencies except the Syrian Pound for payments, in addition to control over commodities flow so that sold foreign currency goes for imports which support commodities supply. Also by enforcing the role of the commission of Combating Money Laundering and Financing Terrorism. All that supported the value of Syrian Pound and regaining trust in it and achieving a relative stability in exchange rate, taking into account the effects of war on economy and in order to alleviate negative results coming out of high decrease of the S.P against foreign currencies.

Electricity and private investments sector:

The ministry of electricity launched a set of laws, executive instructions, systems and resolutions which regulate the work of the ministry and which encourage investment in energy and power sector, we state hereunder some of them:

1- Electricity law Nr.32 of 2010.

2- Resolution Nr.6594 of 2011 which includes executive instructions.

3- Resolutions by the prime ministry:

▶ Nr. 3388 of 2011 related to the system of granting permits to perform activities in the field of power.

▶ Nr. 3722 of 2012, which included conclusion of agreements to sell and purchase power.

▶ Nr. 16202 of 2011 which included the encouraging prices of power generated from renewable energy.

▶ Nr. 3994 of 2012 which include the system of financial penalties related to electricity power.

4- Resolutions of the ministry of electricity:

▶ Nr. 961 of 2012 which included basic, conditions and capacities of projects and systems of renewable energies which can be linked to the network of distribution and purchase of produced electricity.

▶ Nr. 722 of 2013 which included the system of investing electricity in the General Establishment for Transport of Electricity.

▶ Nr. 743 of 2013 which included the system of

investing electricity in the General Establishment for Distribution of Electricity.

▶ 1091 of 2012 which included the procedural directory for granting licenses and permits.

▶ Resolution 1195 of 2014 including the tariff of sale of the kilo volt per hour of electric power usage.

▶ Resolution Nr.1594 of 2014 which included the code of transmission of transport.

▶ Resolution Nr.1356 of 2014 which included civil, legal, financial and technical competence conditions. Which are to be followed by investors in electricity sector.

▶ Resolution Nr.1769 of 2009 which includes executive instructions of the law of standards of power consumption competence for home appliances.

▶ Resolution Nr.974 of 2009 related to electricity tariff (quotation).

▶ Resolution Nr 607 of 2013 related to tariff of 2013.

▶ Law Nr.3 of 2009 related to protection of electric power and its, executive instructions.

▶ Law Nr.23 of 2012 related to non-legal usage of electric power.

▶ Law Nr.26 of 2001 related to electric power theft and its amendments.

▶ Law Nr.18 of 2008 related to standards of power consumption competence for home appliances.

▶ Law Nr.17 of 2013 related to solar heater.

▶ Decree Nr.355 related to establishing the General Establishment for Transport of Electricity.

Syria's indicators in the Business practice Report²

Reformation of business practice stages which supported simplification of procedures and enhance of investment climate and pushing development process in Syria forward, to increase competitiveness of business sector. Enforcing partnership and dialogue between government and business sector is a way to get this sector acknowledged with reformations and work of public sector with the importance of business sector.

The following table shows the grade of Syria in the above mentioned report 2013-2014:

Table(14) Syria's indicators in the Business practice Report

Indicator number	Indicator	2013	2014
	Business practice	147	165
1	Starting commercial activities	134	141
2	Obtaining building licenses	139	189
3	Electricity	87	64
4	Ownership registration	82	140
5	Obtaining of credit	177	163
6	Investors protection	113	77
7	Tax payment	117	113
8	Trans border trade	130	143
9	Coming into force of contracts	179	175
10	Termination of commercial activities	113	145

It is remarkable that Syria is classified in the grade 165 in 2014 while in 2013 it was classified in the grade 147, all due to current crisis. Except light improvement in certain indicators.

Procedures taken in Syria to streamline business practice:

All practical experiences confirm that enhancing investment climate is very basic in countries progress mainly on economic level, in addition to supporting business performance climate, private sector and development programs in developing countries and especially Arab countries. This is why Syria makes efforts to develop business sector by setting plans and strategies to enable this sector mainly SMEs. Still those efforts are poor, mainly in 2014.

The following table states reformations adopted by government to simplify procedures and to enhance investment climate, as mentioned in series of business performance reports.

*2: National competitiveness observatory

Table: (15) Report of business practice

2014	No reformation procedures were taken
2013	Credit obtaining stage: credit information is achieved via an electronic system to exchange data among all banks , financing institutions and the Central Bank
2012	Starting commercial activity stage : The minimum limit of starting commercial activity is decreased for limited liability companies from million S.P to 400000 S.P . And publishing cost from 25000 S.P to 4000 S.P
2011	The minimum limit to start commercial activity by limited liability companies was decreased at two thirds and the approval upon establishment became decentralized. The limit of disclosure about loans to the Central Bank was decreased and the percentage of coverage of credit information by public registries was increased.
2010	Registering of companies at courts was cancelled and also the condition of participation of lawyers in those procedures was cancelled. Trans borders trade stage: Private banks in Syrian markets accelerated the process of issuing insurance letters.
2009	Registering of companies at courts was cancelled and also the condition of participation of lawyers in those procedures was cancelled. Trans borders trade stage: Private banks in Syrian markets accelerated the process of issuing insurance letters.
2008	Tax payment stage: Rates were decreased and a unit for VIP tax payers was established to accelerate the process. Measures of starting trade activity on the condition of announcing about establishing the companies in the official gazette.

Source: National Competitiveness Observatory

Future vision of investment climate:

National objectives and policies adopted by SIA within government`s strategy in reconstruction period:

- ▶ Setting a national vision based on creation and partners help to work in one team spirit with other concerned government entities to provide aspects of restoration, reconstruction and development.
 - Accomplishing one unified investment law including all investment sectors in Syria.
 - Coordination with ministries to activate suggested investment opportunities to serve the coming phase.
 - Setting priorities for public private partnership projects serving reconstruction phase investments.
- ▶ Developing investment climate and enforcing international cooperation.

- Concentration upon Syrian expatriate capital and attracting it to invest in Syrian market.
- Enforcing international cooperation.
- Following –up actual status of projects to impede restraints which they may face.
- Intensive, well – studied and active promotion for investments in Syria.
- Preparation of studies related to developing investment climate in Syria.
- Coordination with related ministries to activate suggested investment opportunities.

- ▶ Enforcing development and production economy.
 - Concentration on investment in real sectors, infrastructure and social and human development.
 - Supporting SMEs and micro projects.
 - Enforcing ideal investment in education and

scientific research as an active resource in development process.

- Supporting investments in industries prepared for export.
- Supporting projects and activities of social dimension.

► Procedures simplification and transformation towards electronic government

- Transformation towards application of electronic government services.
- Simplification of procedures of services provided at the one-stop-shop and preparing adequate environment for application.

Foreign direct investments:

Syrian investment Agency has taken many steps towards:

► Establishing a national observatory for FDI at its headquarters, in cooperation with competent entities aiming at:

- Preparation and updating of a comprehensive data base about FDIs from the view point of their volume, origin, distribution, development and control over their performance.
- Preparation of detailed reports each two years and briefed reports each year about projects.
- Following –up application of recommendations of national FDI reports with government and non-government organizations, following up performance of Syrian economy, development strategies, business easiness in addition to international reports.
- Partnership with regional and international organizations concerned with FDI and profiting from experiences of developed countries in this regard.

► Formation of a committee headed by SIA and represented by related entities such as the ministry of local administration, Regional Planning Commission and Planning and International Cooperation Commission, the committee studies absolute and relative privileges and indicators of Syrian governorates and regions to orient FDIs adequately.

► Cooperation with government to identify priorities of sectors which fulfill entire production development, and to invite and encourage investors to invest in those sectors.

Investment incentives:

Syria provided all kinds of incentives to attract and

to encourage investments to both local and foreign investor. There is a chance to increase those incentives when adopting the projects of one unified investment law which shall include all sectors aiming at encouraging investment climate and providing legal legislation to cope with government requirements in compliance with government's plans and strategies.

Incentives granted to investor as per legislative decree Nr.8 of 2007 included the following:

- It is allowed to import all requirement of project without being adhered to provisions of prohibitions and restriction of import and the system of direct import from country of origin and rules of currency systems.
- Imported assets are exempted from customs duties to be used for project purposes only.
- Investment projects enjoy dynamic tax deduction as per legislative decree Nr.51 of 2006 related to income tax as follows :
- The maximum project tax rate in its highest slices (28%) on net profits.
- As for shareholding companies that put their shares to public subscription with a rate not less (50%), their tax rate is (14%).
- As for projects permitted as per investment encouragement laws, their tax rate is (22%), and this rate will be decreased on the following basis:
- Two degrees for industrial enterprises in the governorates (Raqqqa, Deir Ezour, Hasaka, Idleb, Sweida, Daraa and Quneitra).
- One degree for industrial enterprises that employ /25/ workers or more, duly registered at Social Insurance Establishment.
- Two degrees for industrial enterprises that employ /75/ workers or more, duly registered at Social Insurance Establishment.
- Three degrees for industrial enterprises that employ /150/ workers or more, duly registered at Social Insurance Establishment.
- One degree for industrial enterprises in the industrial zones.
- Two degrees for industrial projects duly licensed according to decree Nr. /8/ for the year 2007, in the two industrial cities of Hyssia, and Deir Ezour.
- Two degrees for projects of power generation stations, projects of alternative energy ,and fertilizers plants.
- Two degrees in the light of the availability of the following:

- Industrial projects which depend on local raw materials.
- Industrial projects which save power.
- Industrial projects that use means, tools and machineries that protect environment and prevent environmental pollution.
- Industrial projects that export (50%) of their production.
- Two degrees for investment projects licenses as per decree 8 of 2007 in the eastern region including governorates of Al Raqa. Deir Ezzour and Al Hassakeh.

Investment incentives in Free zones

- ▶ Foreign trade:
 - Exemption from tax duties.
 - Exemption from restrictions imposed on export into local markets.
- Cancellation of the minimum limit of exports
- ▶ Taxes: Exemption from taxes and duties.
- ▶ Labor :
 - Ability to employ foreigners
 - Exemption from registering workers in social insurance.
 - Ability to employ workers as per limited periods contracts.
- ▶ Exemption of building materials and machines from restrictions imposed on imports
- ▶ Possibility to repatriate profits.
- ▶ Land accessibility: Encouraging land prices
- ▶ Encouraging land rental prices, and renting lands as per long term contracts, which may reach up to (20) years
- ▶ Foreign ownership : No inequity between companies on the basis of nationality or business sectors.

Incentives in industrial cities:

New industrial cities provide many regulatory and financial incentives to attract investments:
Granting required land with adequate infrastructure.

- Tax relief at one degree less than the normal tax rate. Projects in Hyssieh and Deir Ezzour get two degrees.
- No ceiling for ownership, as the foreign investor can own at 100%. In each industrial city there is a branch of

immigration bureau to facilitate residence permits for foreign investors and workers.

The most important procedures regarding industrial cities and zones during 2014:

Incentives in industrial cities :

- ▶ Decree Nr.22 of 2013 which ended decree Nr.26 of 2003 and some articles of decree Nr.57 of 2004 and it includes:
 - Increase of the percentage of representation of investors in the council of the industrial city up to seven members including a craftsman investor.
 - Investors who do not succeed in their work are allowed to sell their skeleton buildings for one time, previously it was allowed to sell after finalizing building and investing as it was decided.
 - Partnership is allowed as per specified conditions
- ▶ Law Nr.7 of 2013 which exempts from municipality duties, building and services breaches, installments, depts., rental fees for years before 2012 from interests and delay penalties, if settled till 31-12-2013.
- ▶ Amendment of investment systems in industrial cities (Adra, Shiekh Najar and Hyssieh):
 - Decrease of the value of the first payment of the value of allocated areas to be 15%-30%, this is applied on industry men, and crafts men .
 - Increase of the number of installments and the period of settlement from ten to twenty half annual.
- ▶ Notification Nr.15/17 of 2013 issued by the prime ministry which allows enterprises owners who have permanent or temporary license to move their enterprises to more secure places according to certain mechanisms and the extension of the validity of notifications 10 and 16 of 2004 and 2005 consequently till the end of 2013.
- ▶ The study of instructions which regulate licensing of enterprises subject to provisions of decree Nr.2680 of 1977 and services enterprises and settlement of matters of existing ones and raising the drafts of notification of integration and amendment of notifications Nr.10 of 2004 and 16 of 2005 to the prime ministry to issue them
- ▶ Ministry of local administration is authorized to re-

value the current administrative of industrial structure and cities, and suggest the possible vision for developing its structure and function.

- ▶ To confirm the necessity to provide requirements to fill in gaps from which industrial cities suffer.
- ▶ To support horizontal distribution of industrial zones and to establish industrial cities in all governments.
- ▶ To compensate harmed persons as per special controls after performing tangible surveys in cooperation with federations and chambers.
- ▶ To authorize ministry of finance and Central Bank of Syria to study the suggestions to raise insurance limit for banks working in industrial cities.
- ▶ To encourage private sector to provide electronic power and to adopt alternative energies (Wind – Electric Catchers).
- ▶ To encourage fuel and diesel import by private sector.
- ▶ Indication of industrial cities needs of industrial cities of engineering machineries, so that reconstruction committee considers providing them.
- ▶ Taking all required needs to guarantee security in industrial cities.
- ▶ Authorizing ministry of labor / Syrian Insurance Establishment, to study delay penalties due on workers and investors and to set mechanism to settle them.
- ▶ To instruct directors of industrial cities to meet industry men to discuss their suggestions concerning electricity power status in each, to be discussed with minister of electricity.
- ▶ To ask the security committee in Aleppo to set suitable formula to guarantee security Al Sheikh Najar industrial city.
- ▶ To authorize Central Bank of Syria to coordinate with the ministry of finance to study the possibility of granting operative credits (As per the vision of credit and currency Council but all within certain controls.
- ▶ An amount of 200 million S.P was allocated to the industrial city in Al Sheikh Najar for rehabilitation of infrastructure.
- ▶ The resolution Nr.1070 of 2014 was issued by the minister of local administration related to water investment system in Aadra industrial city and a similar system is being prepared for industrial city in Hyssieh.

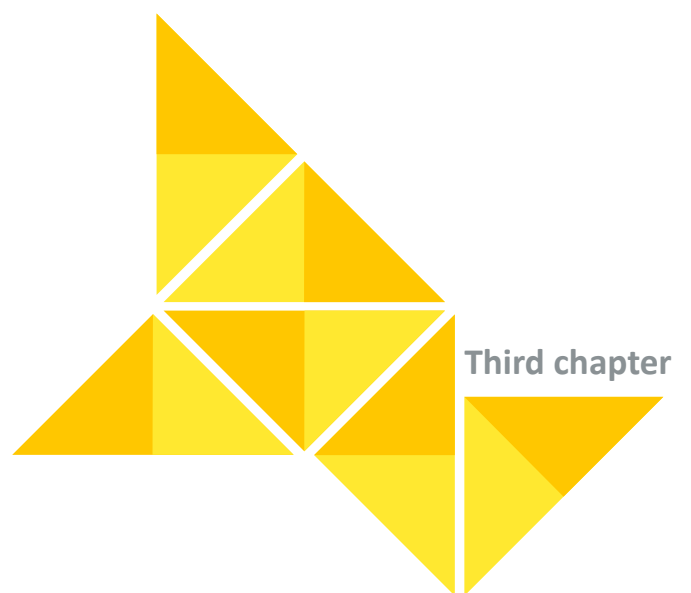
Industrial city and crafts zones:

- ▶ Approval upon treating industrial and craft zones which are within organizational structure like residential zones and not to let them pay costs of transformation stations.

- ▶ Three industrial zones were established in coordination with the Regional Planning Commission, two in Lattakia (Al Karameh and Karkit) and one in Al Sweidaa (Al Kafr). The subject is followed up by governorates of Lattakia and Al Sweidaa.
- ▶ Amending building controls and executive charts by increasing floors of industrial and crafts zones in Tartus to increase number of investors, industry and crafts men.
- ▶ Granting 685,702 million S.P in 2014. The amount was distributed on 23 industry and crafts zones in Damascus countryside, Homs, Hama, Lattakia , Tartus, Al Sweidaa . Five zones were financed for the first time.

As for industrial cities and industrial and crafts zones together :

- ▶ Law Nr.23 of 2014 was issued, it included relief of installments of the value of occupied spaces in industrial cities and zones for years from 2013 and before, from profits and payment delay penalties. if amounts were settled till 31/12/2014 .
- ▶ Private sector is allowed to import fuel and diesel in favor of industrial zones and cities.
- ▶ Notification Nr.15/9 of 2014 was issued, which is related to controls and instructions which regulate licensing industrial enterprises subject to provisions of decree 2680 of 1977 and the tables attached to it and services enterprises and settling the conditions of the existing ones, and including integration of notifications 10 of 2004 and 16 of 2005.
- ▶ Owners of damaged enterprises of industry and crafts men are to be compensated if approved.



Syrian Investment Agency

Objectives and policies

Syrian Investment Agency is established as per provisions of legislative decree Nr.9 of 2007 in line with release of law Nr.8 of 2007. It is an independent agency affiliated to prime ministry.

It aims at implementation of national policies and developing investment climate in the Syrian Arab Republic by:

- Setting principles and bases to simplify and to facilitate investment related procedures.
- Setting the investment map and promoting for it locally and abroad.
- Providing information and consultancy for investors and issuing special directories .
- Participation in preparation of investment agreements and memorandums of understanding.
- Following – up projects and monitoring obstacles that face their implementation and impeding them.
- Performing all promotional activities to attract investment by holding seminars and conferences, and organizing meetings and exchanging visits.

Administration of SIA:

SIA is administrated by a board and director general.

Board of SIA:

- Chairman Head
- Director General Deputy chairman
- Deputy director general A member and a reporter
- Three directors of SIA Members
- Representatives of each agricultures, Member Industry and commerce chambers.

Organizational structure of SIA

- o One-Stop-Shop
- o Directorate of Following – up Affairs
- o Directorate of Planning and international cooperation
- o Directorate of Studies
- o Directorate of Investment map
- o Directorate of promotion and media
- o Directorate of Technical Affairs
- o Directorate of Human Resources and Administrative Affairs
- o Department of Internal Inspection
- o Department of Secretary
- o Financial Affairs
- o Directors of branches

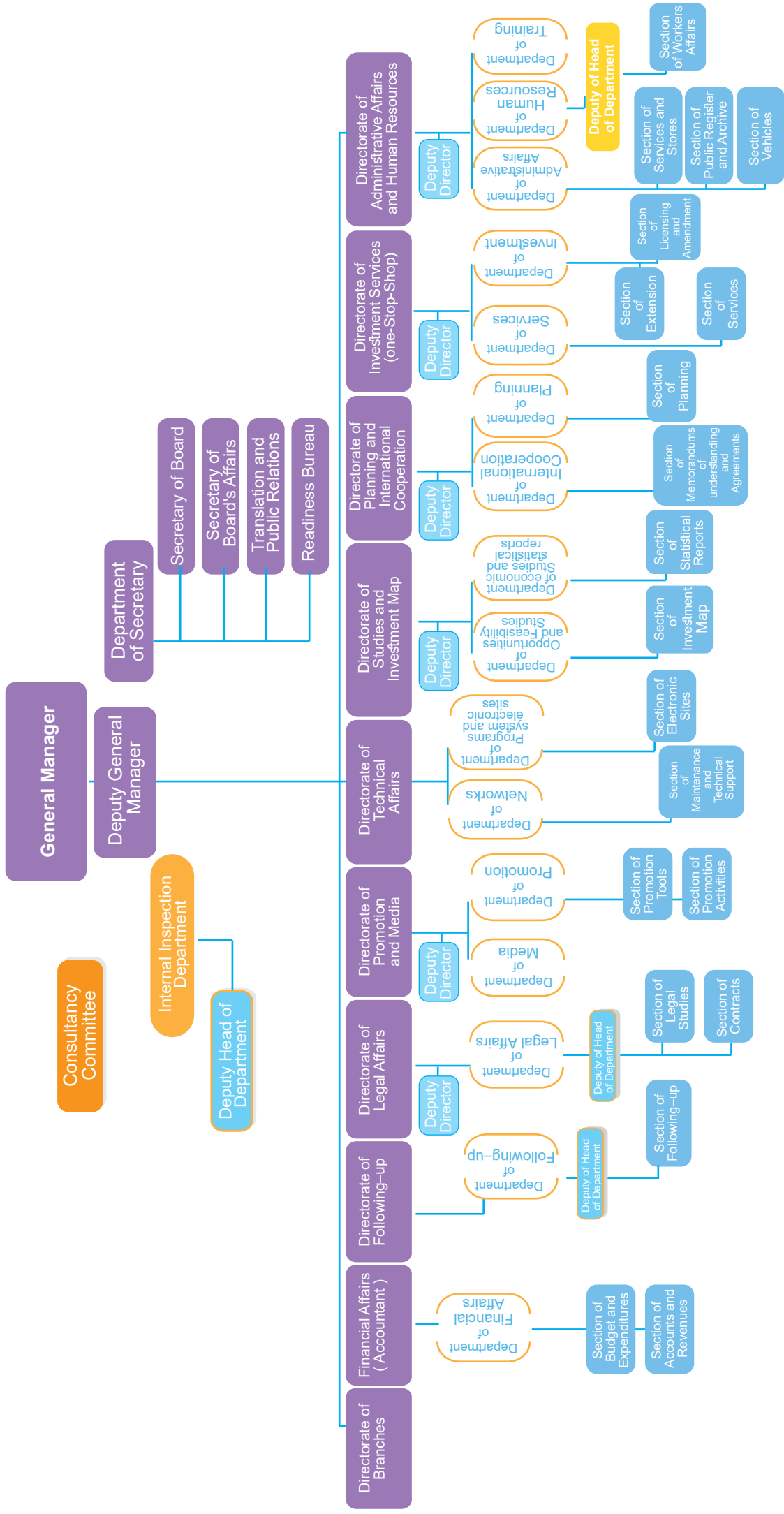
Accomplishments and activities of the Syrian Investment Agency in 2014:

SIA performed many activities and tasks to enforce investment climate, to encourage promotion and to offer help for investors in all stages of their project. We list hereunder some of those activities.

On Investment services level:

- Licensed projects: Total number of projects licensed at SIA and its branches was 64 projects (five of them are in industrial cities) at an investment costs at 51095 million S.P. And the value of machines and equipments reached up to 46450 million S.P. Number of workers was 8126.
- 1230, import license were issued at the one-stop-shop in central administration, 1013 license were issued in favor of Damascus and its countryside and 217 licenses in favor Daraa, Al Raqqa and Deir Ezzour.
- 293 import licensed were issued by SIA's branch, in governorates as follows: 136 by Hama branch, 138 by Daraa branch and 19 one by Al Sweidaa branch.
- 124 is the number of corrected, extended and

Organizational Structure of SIA



cancelled licenses at the one-stop-shop of the central administration of SIA.

- Customs exemptions : 84 exemptions were granted by customs bureau at the one-stop-shop at SIA, the value of machines, equipments and services transport means prepared for import only and which have customs exemption resolutions as per provisions of law Nr.10 of 1991 and decree Nr.8 of 2007, was 2879 million S.P.
- Industrial resolutions: Number of industrial resolutions (License – Amendment-Integration – Extension) issued by representative of the ministry of industry in the one-stop-shop in SIA, was 12 resolutions for Damascus and its countryside, five licenses, three extensions and four amendments.
- 30 industrial resolutions were issued by branches of SIA, 19 one issued by Al- Sweidaa branch as follows: (4) licenses, (8) extensions and (7) final agricultural licenses, (8) resolutions by Hama branch, (3) licenses, (5) extension and amendment, three licenses were issued by Tartus branch.
- Total number of resolutions issued by SIA and its branches and industrial cities (Amendment – extension and cancellation) was 200 one, 63 extensions, 79 amendment and 58 cancellations.
- Cancellation resolutions issued by SIA are 58, 47 out of them are transport projects, 8 industrial, and three agricultural projects.

At the level of economic and investment studies

- Issuance of the annual eighth economic report of 2013.
- Issuance of the first national FDI report in Syria.
- Preparation of the annual and biannual reports of activities of SIA on investment project level for 2014.
- Monthly and quarterly reports about licensed, implemented and under implementation investment projects.
- Reports about damages of investment projects due to crisis and adopting 2010 as a basis.
- Various economic and investment studies:

- 1- Preparation of a report about the role of agency in industrial sector projects.
- 2- A study about developing investment climate in Syria.
- 3- A study about health investments under the umbrella of investment encouraging laws during the period 1991-2014.
- 4- Work paper for participation in the Reconstruction Conference organized by Higher Commission of Scientific Research, convened in Damascus university

On investment map level:

- 1- Insertion of 305 investment opportunities in Arabic and English into the statistical system according to a new classification according to their volume, strategic of high priority, green and opportunities of industrial cities.
- 2- 242 investment opportunities were formulated as brochures, according to governorates and sectors in Arabic and English, and were put on a CD for promotion purposes.
- 3- Coordination with technical affairs department to launch the new electronic website of SIA with the updated investment map which included 232 investment opportunities in Arabic distributed as per governorates and the classification adopted by SIA.
- 4- An investment map for re-construction was accomplished, it included 140 investment opportunities in Arabic and in English, in all sectors (Infrastructure , Chemical ,food, and textile industries, alternative energy)
- 5- Initial feasibility studies were accomplished as follows :
 - Dairy factory in the coastal region.
 - Silo (for grains) project in Lattakia.
 - Natural juice production factory in Lattakia.
 - Olives press (pressing, filtration, filling and packing).
 - Modern irrigation equipments production factory.
 - Soft and dry yeast production factory
 - Damascene rose farming.

On international cooperation level:

1- Planning:

- Setting a strategic plan to regulate SIA's work mechanism, analysis of internal and external environment, setting priorities and suggestion in coordination among directorate and their plans.
- Effort and coordination are in process to launch a branch of SIA in Aleppo.
- Updating financial and economic study and obtaining approvals to start implementation of network connection project; with branches in governorates and with ministers and entities related to the one-stop-shop. And allocation of required credits, for implementation during 2015.
- Setting the budget project of 2015. After indicating needs and requirements according to strategic objectives of SIA.

2- International Cooperation:

A. Internal:

► Accomplished agreements :

	Entity	Cooperation field	Date of signature
1	Syrian Exporters Federation	MOU between Syrian Exporters Federation and SIA to support exportation and investment	52014/8/
2	Ministry of Agriculture and Agrarian Reformation - Organic Production Bureau	MOU between SIA and the Ministry of Agriculture in the field of organic production	232014/12/

B. External :

Coordination is in process with the planning and International Cooperation Commission to encourage national investment with friend countries (Belarus, Russia, Ukraine...)

On Following –up level:

- 1- Following –up investors requests to fulfill the need of their projects of oil derivatives.
- 2- Following –up directorate is charged with tasks of imports settlement committee as from 25/2/2014.
- 3- Study of files of cancelled projects and preparing related correspondences to settle their imports.

4- /69/ investment projects were settled (Industrial , Agricultural – Transport).

5- Data of permitted investment projects was loaded on the data base of the following – up directorate (since 2010 up till now). Investment costs and job opportunities are being loaded according to the actual status of those projects.

6- Performing a field tour to many projects permitted as per investment laws, and getting acknowledged with obstacles and restraints which face investors.

7- Study of the actual status of projects and the damages caused by terrorist aggressions.

On promotion and media level:

Activity	Implementing entity	Venue	Date
Work shop entitled "Reengineering Administrative Procedures in SIA – Applied study on the one-stop-shop"	SIA and Ministry of Agriculture and Agrarian Reformation	SIA	302014/6/
MOU between SIA and Syrian Exporters Federation	SIA – Syrian Exporters Federation	Federation premises	52014/8/
SMEs and Rural woman products	Ministry of Agriculture	Tartus governorate	102014/8/
Economic and Social Forum (Syria Mosaic Fair)	Ministry of Tourism	Dama Rose	262014/2/
A visit by Venezuelan delegation headed by Venezuelan ambassador	SIA	SIA	262014/10/
Visit of a polish delegation	SIA	SIA	112014/11/
Visit of a polish delegation	SIA	SIA	182014/11/
A meeting with head and members of Syrian – Russian Businessmen Council	SIA	SIA	192014/11/
National Conference "Role of Scientific and Research Institutions in Reconstruction"	Higher Commission for Scientific Research	Damascus University auditorium	242014/11/25-
Terrorism Conference	Ministry of Justice	Dama Rose	152014/4/
MOU with the ministry of Agriculture- Organic Production Bureau	SIA	SIA	232014/12/

On organizational issues and human resources:

Organizational issues and human resources development is one of the most important objectives of the higher administration in SIA throughout:

Training:

- Performing training courses (Administrative, technical and information) In addition to foreign languages, 22 employees followed seven technical courses. And two language courses.

Courses within SIA	Administrative development skills courses	Technical specialized courses	Foreign languages courses	Total
Courses	2	7	2	11
Trainees	3	22	8	33

On laws and Legislations level:

SIA started preparation a project to amend legislative decree Nr.8 of 2007. Under the supervision of the, minister of state for investment affairs, throughout mutual meetings with entities concerned with investment from federations of agriculture, industry and trade and federation of exporters.

The project was proposed to three committees (services, economic and human development), and work team of related entities, ministers and general directors, The team was amended after the amendment of government to follow-up the accomplishment of one unified investment law including all economic sectors.

The legal framework of the law is being prepared to accomplish the law in best formula.

- Technical aspect :

▶ **Network connection project:**

- Performing network connection with SIA's branches in governorates and ministries and entities related to the one-stop-shop.
- 1- Finalizing network connection with Tartus, Al Sweida and Lattakia branches. The connection is in process with Hama branch.
- 2- Activation of connection with the ministry of Agriculture and Agrarian Reformation.
- 3- Approvals to finalize technical works of connection, from ministries of industry, local administration, irrigation, electricity and transport.
- 4- Approvals from other related entities are to be obtained for the same purpose.

▶ **Automation project:**

- Automation of files of investment project is in process as follows :
- 1- Indication of features of infrastructure and developing a programming system to fulfill requirements of project of procedures simplification.
- 2- Agreement with National company for

On Organizational structure level:

- Launching SIA's branch in Lattakia in 14/5/2014 and in coordination with related entities to provide human resources to start encouraging investment process. Branches of SIA shall be opened in Aleppo and Homs.



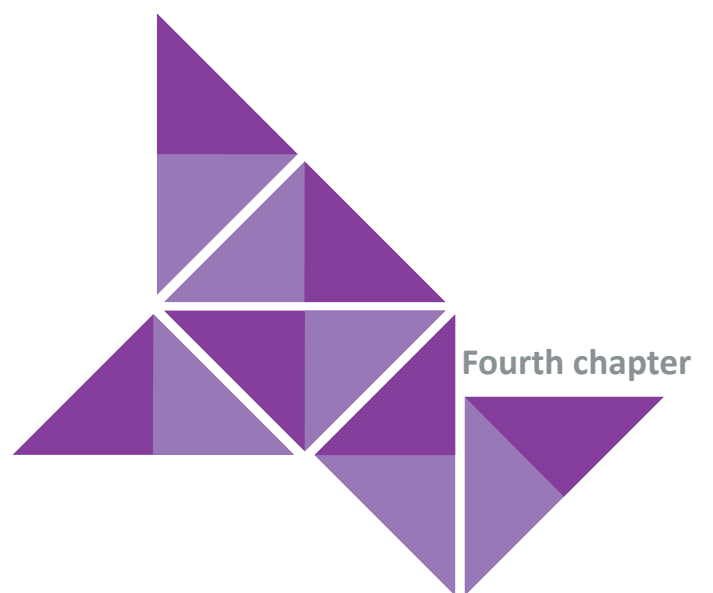
Information Technology to finalize automation project on two stages (study stage and execution stage).

▶ **Electronic site:** Electronic web site of SIA was updated (The service of initial approval to license a project – The service of searching for investment partners and special investment opportunities).

▶ **Computer network:**
Internal networking in SIA to guarantee exchange of data and documents between employees in SIA and with branches and to provide protection and security to documents and equipments.

▶ **Electronic archiving:**
Achieving process for years since 1991 up till now is accomplished. So that all files are easily obtained without the need of papers in addition to having a reserve electronic copy of all files of investments projects.

▶ **Promotional works:**
Performing design works for promotion tools and a CD of the investment map in 13 different languages, and another one for investment opportunities for the reconstruction phase.



Investment projects

This chapter reviews implemented and under implementation investment projects in all economic sectors, those which are licensed in compliance with decree Nr.8 of 2007 and other projects licensed according to provisions of other laws and legislations which regulate investment process. We refer to that the source of information related to licensed projects is SIA's data base, but concerning implemented projects and those which are under implementation their data is issued by related entity or ministry according to the activity or the sector as they do grant licenses to commence a projects and to implement it and information is added to SIA's data base accordingly.

Projects licensed as per provisions of the legislative decree Nr.8 of 2007

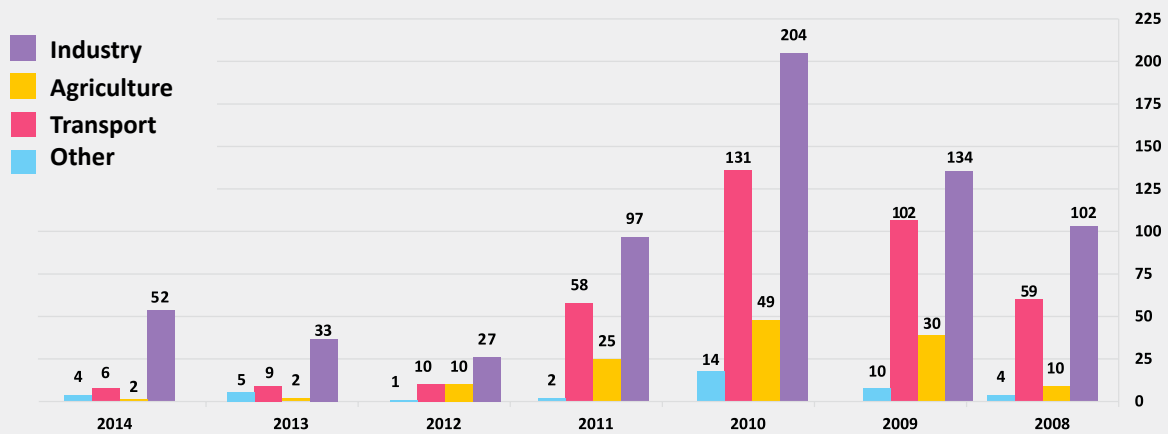
In the year 2014 a remarkable development in numbers of permitted projects is witnessed, if compared with years of 2012 and 2013, 64 projects were licensed in different sectors at an investment cost of 51095 million S.P. (52) projects in industry sector, (2) in agriculture sector, (6) in transport sector, and four In other sectors, so that number of projects permitted as per provisions of decree Nr.8 of 2007 during the period 2008-2014 became 1192 projects at an approximate cost of 2120585 million S.P as per the following table.

Table(16) licensed projects as per legislative decree /8/ of 2007 as per economic activity (million S.P)

Year	licensed projects as per sectors				Total	Number of workers	Investment cost	Value of machines, equipments and services transport means
	Industry	Agriculture	Transport	Other				
2008	102	10	59	4	175	17336	403172	371711
2009	134	30	102	10	276	22062	144830	116682
2010	204	49	131	14	398	22171	90736	82488
2011	97	25	58	2	182	16874	96616	87832
2012	27	10	10	1	48	5291	38434	34941
2013	33	2	9	5	49	11284	1295702	1177910
2014	52	2	6	4	64	8126	51095	46449
Total	649	128	375	40	1192	103144	2120585	1918013

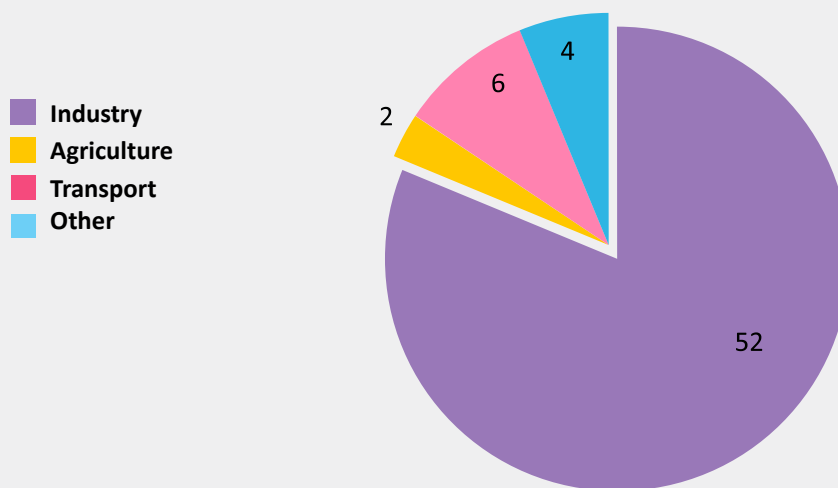
Source: SIA

Projects licensed as per provisions of the legislative decree Nr.8 of 2007 as per activity (2008-2014)



Figure(10)

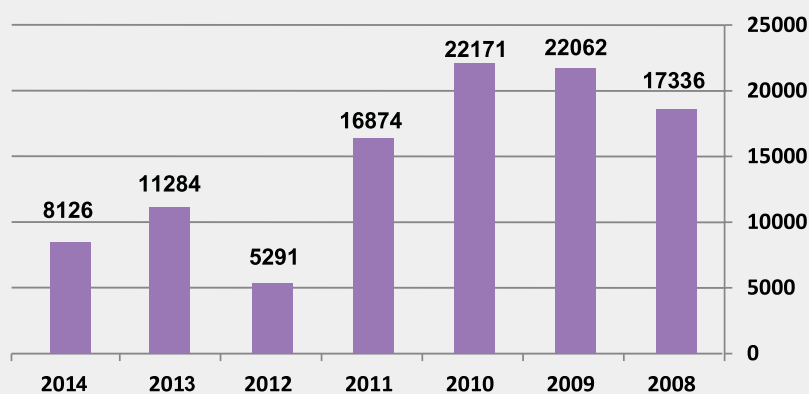
Distribution of licensed projects as per provisions of the legislative decree Nr./8/ of 2007 as per activity



Figure(11)

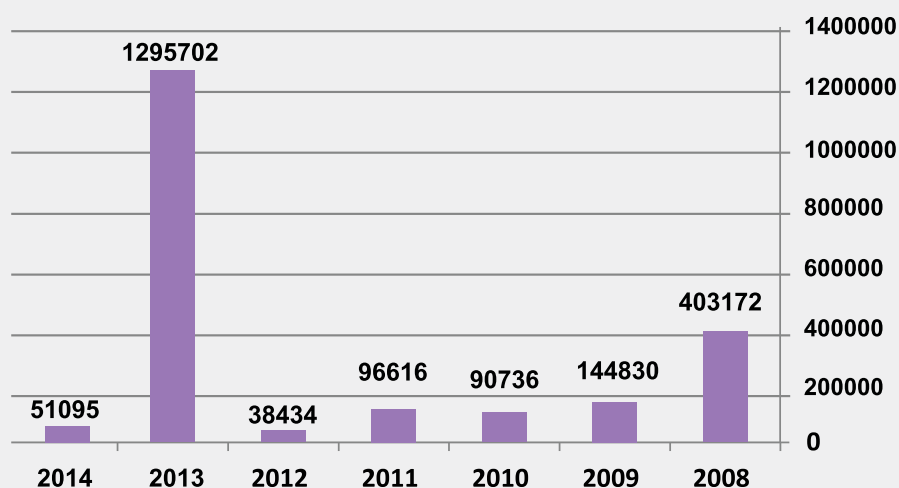
Those projects provide 103144 job opportunities during the period 2008-2014 (8126) of them are in 2014.

Distribution of number of workers



Figure(12)

Distribution of Investment costs 2008-2014 (million S.P)



Figure(13)

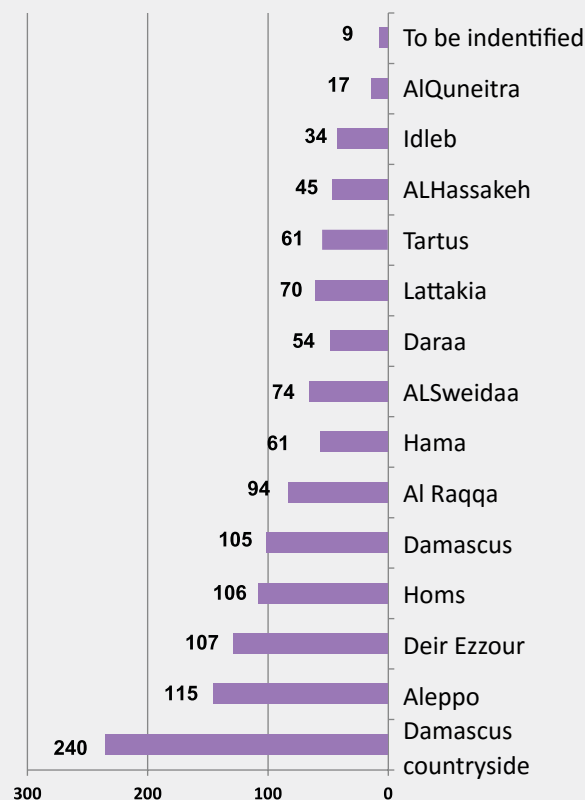
Distribution of projects permitted as per provisions of decree /8/ of 2007 according to governorates:

(1192) projects were permitted as per decree /8/ of 2007 according to governorates during the period 2008-2014 as stated in the following table 240 projects were in Damascus, 115 projects in Aleppo and 107 one in Deir Ezzour.

Table (17) Distribution of permitted projects according to governorates 2008- 2014

Governorate	Number	Rate %
Damascus countryside	240	19.8
Aleppo	115	9.5
Deir Ezzour	107	9.1
Homs	106	9.02
Damascus	105	8.5
Al Raqqa	94	8
Hama	61	5.2
ALSweidaa	74	6.2
Daraa	54	4.5
Lattakia	70	5.8
Tartus	61	5.02
ALHassakeh	45	3.8
Idleb	34	2.8
AlQuneitra	17	1.4
To be indentified	9	0.7
Total	1192	100

Distribution of permitted projects according to governorates 2008-2014



Figure(14)

Source: SIA

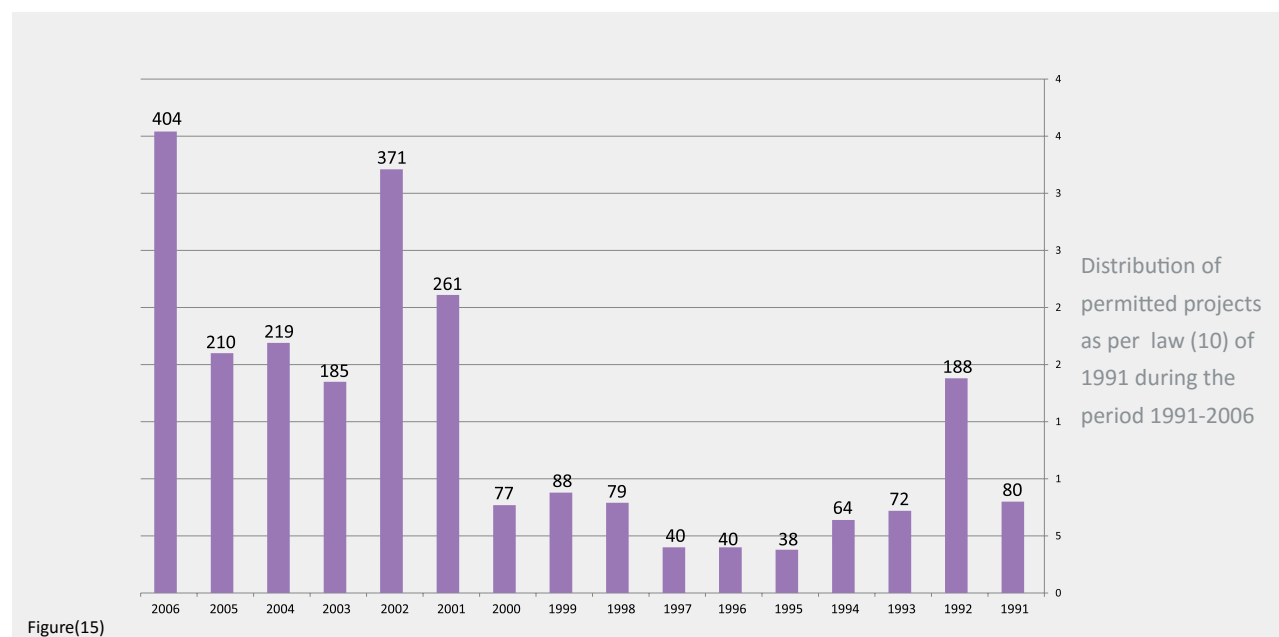
Projects licensed as per provisions of law Nr.10 during the period 1991-2006

(2416) projects were permitted as per law (10) of 1991 during (1991-2006) in all economic sectors, mainly in transport sector (1290) projects, (1026) projects in industry sector, (56) in agriculture and (44) one in other remaining sector as per the following table and figure.

Table (18) Investment projects licensed as per provisions of law (10) of 1991 during the period 1991-2006 (million S.P)

Year	Industry	Agriculture	Transport	Other	Number of project	Number of workers	Investment cost	Value of machines, equipments and services transport means
1991	51	---	28	1	80	8946	16462	6833
1992	69	3	113	3	188	12290	22964	12329
1993	42	---	30	---	72	4849	10816	6109
1994	32	---	31	1	64	3028	12197	3596
1995	15	1	22	---	38	2132	6906	3847
1996	21	1	16	2	40	2428	5677	1817
1997	19	---	21	---	40	1685	3648	1697
1998	22	---	55	2	79	3533	7842	3724
1999	39	---	47	2	88	3660	20895	11029
2000	49	2	26	---	77	3785	15491	7221
2001	92	3	164	2	261	7273	20181	9664
2002	87	5	274	5	371	11537	45746	21484
2003	83	7	93	2	185	6669	28570	10955
2004	99	9	106	5	219	14780	83007	42288
2005	107	10	81	12	210	27118	170536	80697
2006	199	15	183	7	404	29262	366336	202843
Total	1026	56	1290	44	2416	142975	837272	426133

Source: Competent ministries and entities



Canceled projects:

The following table shows canceled projects, according to year of permitting in order to obtain accurate data about rate of executed projects composed with number of permitted projects.

Table (19) Number of licensed projects and canceled projects (2008-2014)

Year	Number of licensed projects	Number of canceled projects
2008	175	64
2009	276	18
2010	398	17
2011	182	5
2012	48	1
2013	49	-
2014	64	-

Source: SIA

Implemented and under- implementation projects:

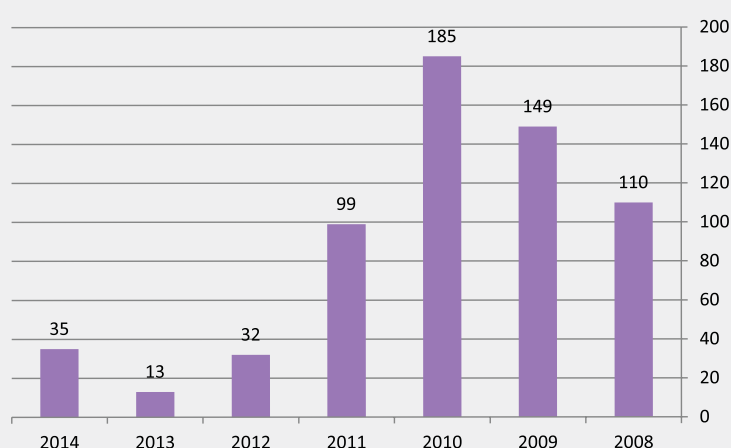
Data of ministries and competent entities was adopted to achieve statistics of implemented and under- implementation projects, because those entities grant licenses to start projects, in addition to statistics available in the data base of SIA. Number of implemented and under- implementation projects in 2014 was 35 projects, all in industry sector. Thus, the total number of projects under this category during the period 2008-2014 was (623) projects, distributed as follows: (452) in industry sector, (105) projects in transport sector and (59) in agriculture sector and (7) projects in other sectors.

Table (20) Total number of implemented and under- implementation projects as per provisions of investment laws (2008-2014)

Year	Industry	Agriculture	Transport	Other	Number of projects
2008	81	6	21	2	110
2009	84	23	41	1	149
2010	129	16	37	3	185
2011	83	9	6	1	99
2012	32	0	0	0	32
2013	13	0	0	0	13
2014	30	5	0	0	35
Total	452	59	105	7	623

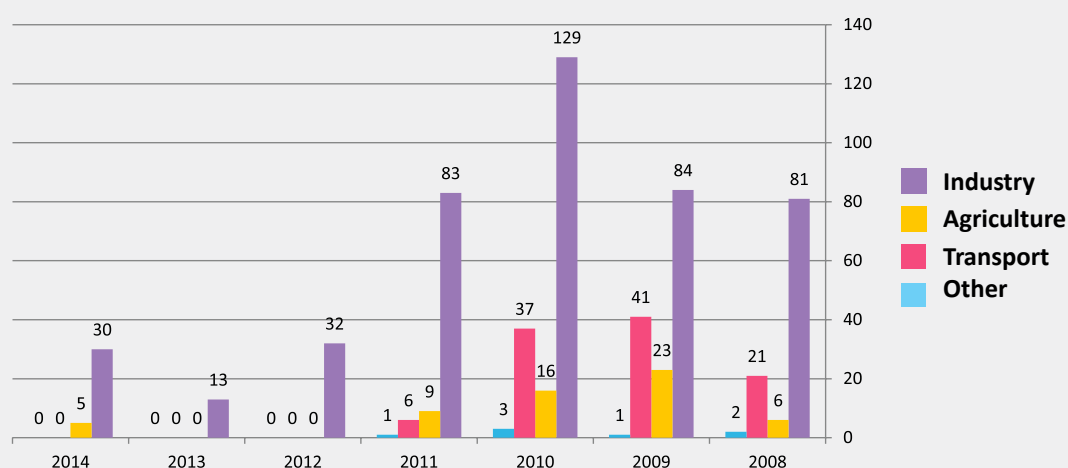
Source: SIA's and Competent ministries and entities

Implemented and under- implementation projects as per provisions of investment laws (2008-2014)



Figure(16)

Implemented and under implementation projects as per provisions of investment laws (2008-2014)



Figure(17)

N.B: Difference against previous data is because of changes: Expansion, cancelation, licensing, receipt of records and merging.

Industry sector:

Projects permitted as per decree Nr.8 of 2007:

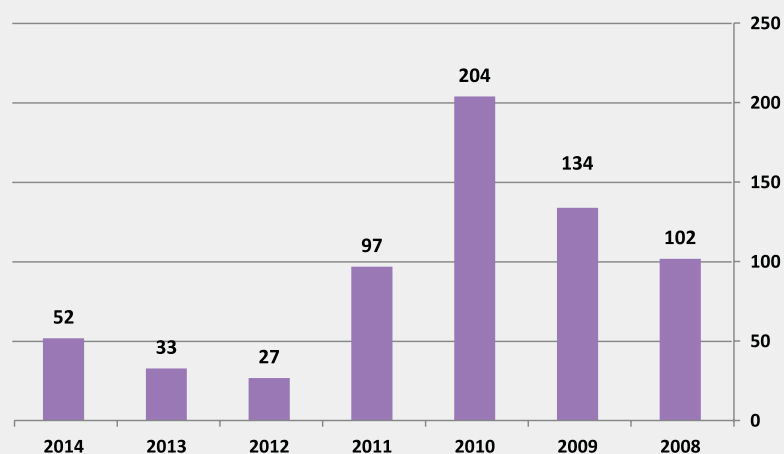
Number of Industrial permitted projects reached up to 52 one in 2014 at an approximate investment cost of 48732 million S.P. So, (649) industrial projects were permitted during the period 2008-2014 as per the following table:

Table (21) Licensed industrial projects 2008-2014

Year	Number of Projects	Number of workers	Investment costs (Million S.P)
2008	102	11220	76113
2009	134	11592	76054
2010	204	13210	74245
2011	97	13282	69282
2012	27	1808	13947
2013	33	4542	16066
2014	52	7225	48732
Total	649	62879	374439

Source: SIA

Number of licensed industrial projects 2008-2014



Figure(18)

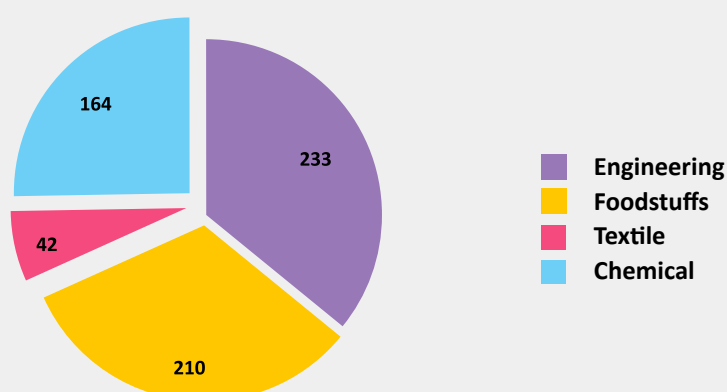
Engineering industries had the big share, during the period 2008-2014, 233 projects were permitted, then food industries (210) projects, (164) chemical industries, and (42) one in textile sector, as clarified in the following table:

Table(22) Distribution of industrial licensed projects according to industrial activity 2008-2014 (million S.P)

Year	Engineering	Foodstuffs	Textile	Chemical	Total	Investment costs
2008	41	36	8	17	102	76113
2009	46	50	6	32	134	76054
2010	74	69	13	48	204	74245
2011	37	27	7	26	97	69282
2012	11	11	1	4	27	13947
2013	7	9	1	16	33	16066
2014	17	8	6	21	52	48732
Total	233	210	42	164	649	374439

Source: SIA

Distribution of industrial licensed projects according to industrial activity 2014-2008



Figure(19)

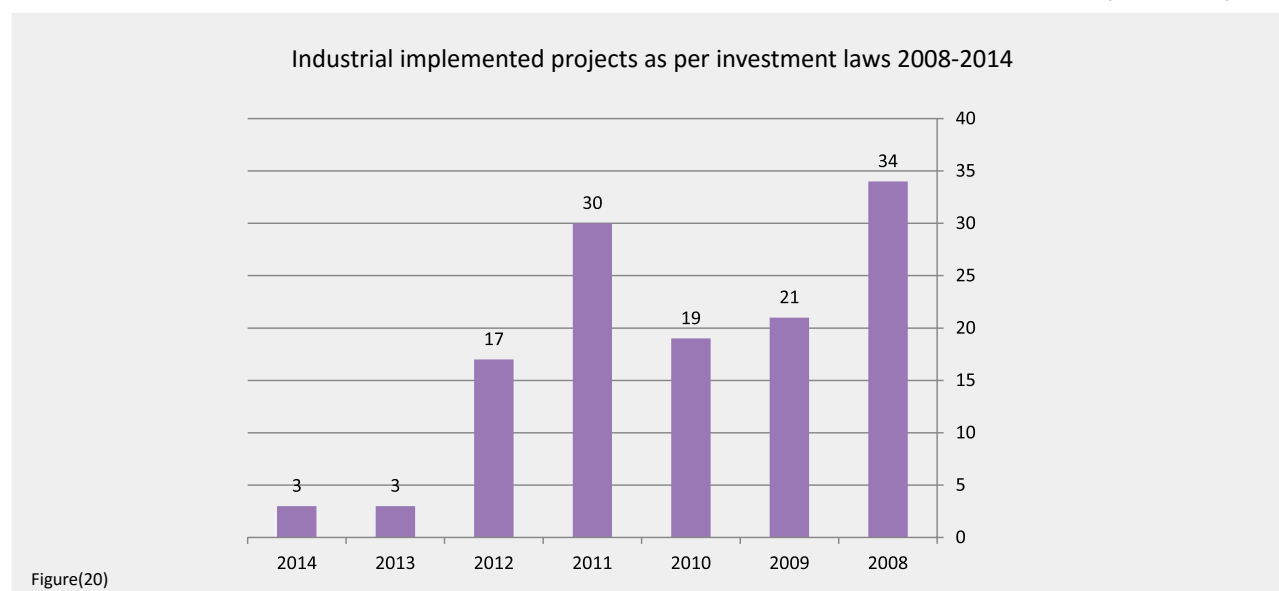
Implemented projects:

Three industrial projects were implemented during 2014 (According the data received from the ministry of industry)
Total number of industrial implemented projects during the period 2008-2014, was 127 projects at a capital cost of 162162 million S.P. Providing 8214 job opportunities.

Table(23) Industrial implemented projects as per investment laws 2008-2014 (million S.P)

Year	Number of enterprises	Capital	Job opportunities
2008	34	39572	2317
2009	21	5889	763
2010	19	12272	1780
2011	30	21244	1631
2012	17	28327	964
2013	3	581	230
2014	3	54277	529
Total	127	162162	8214

Source: Ministry of Industry



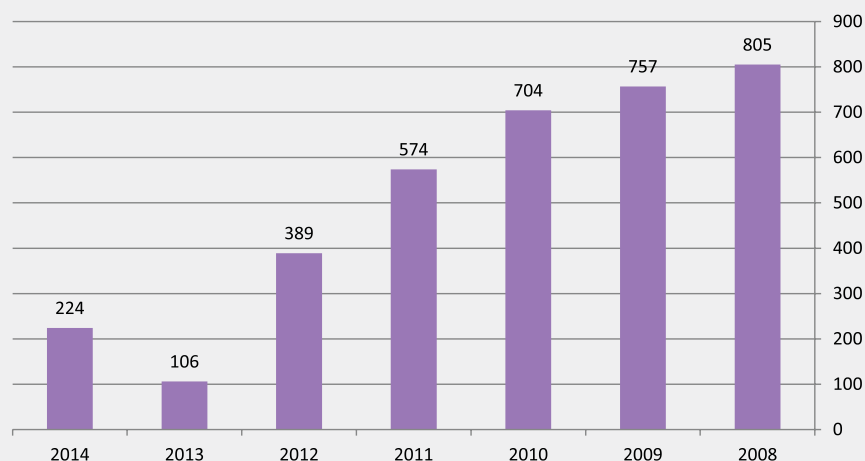
While industrial implemented projects permitted as per industry law Nr.21 of 1958, reached up to (224) one during 2014 and the total number was (3559).

Table (24) Industrial projects implemented as per provisions of law (21) - 2008-2014 (million S.P)

Year	Number of Enterprises	Number of workers	Investment costs (Million S.P)
2008	805	9348	7230
2009	757	18649	6488
2010	704	9807	5672
2011	574	9506	5275
2012	389	7441	4091
2013	106	1864	679
2014	224	2629	1460
Total	3559	59244	30895

Source: Ministry of Industry

Industrial projects implemented as per provisions of law (21) 2008-2014



Figure(21)

Licensed projects:

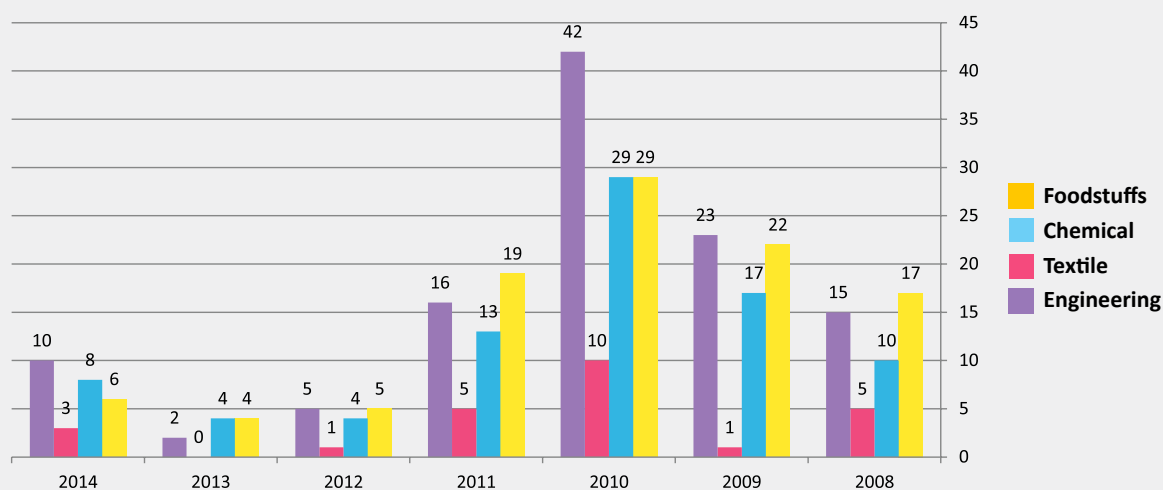
Projects licensed as per investment laws during the period 2008-2014, were 325 one, distributed on different types of industry, but engineering sector had the big share as stated in the table hereunder:

Table (25) Projects licensed as per provisions of investment laws 2008 - 2014

Year	Foodstuffs	Chemical	Textile	Engineering	Total
2008	17	10	5	15	47
2009	22	17	1	23	63
2010	29	29	10	42	110
2011	19	13	5	16	53
2012	5	4	1	5	15
2013	4	4	0	2	10
2014	6	8	3	10	27
Total	102	85	25	113	325

Source: Ministry of Industry

Industrial Projects licensed Industrial Activity 2008-2014



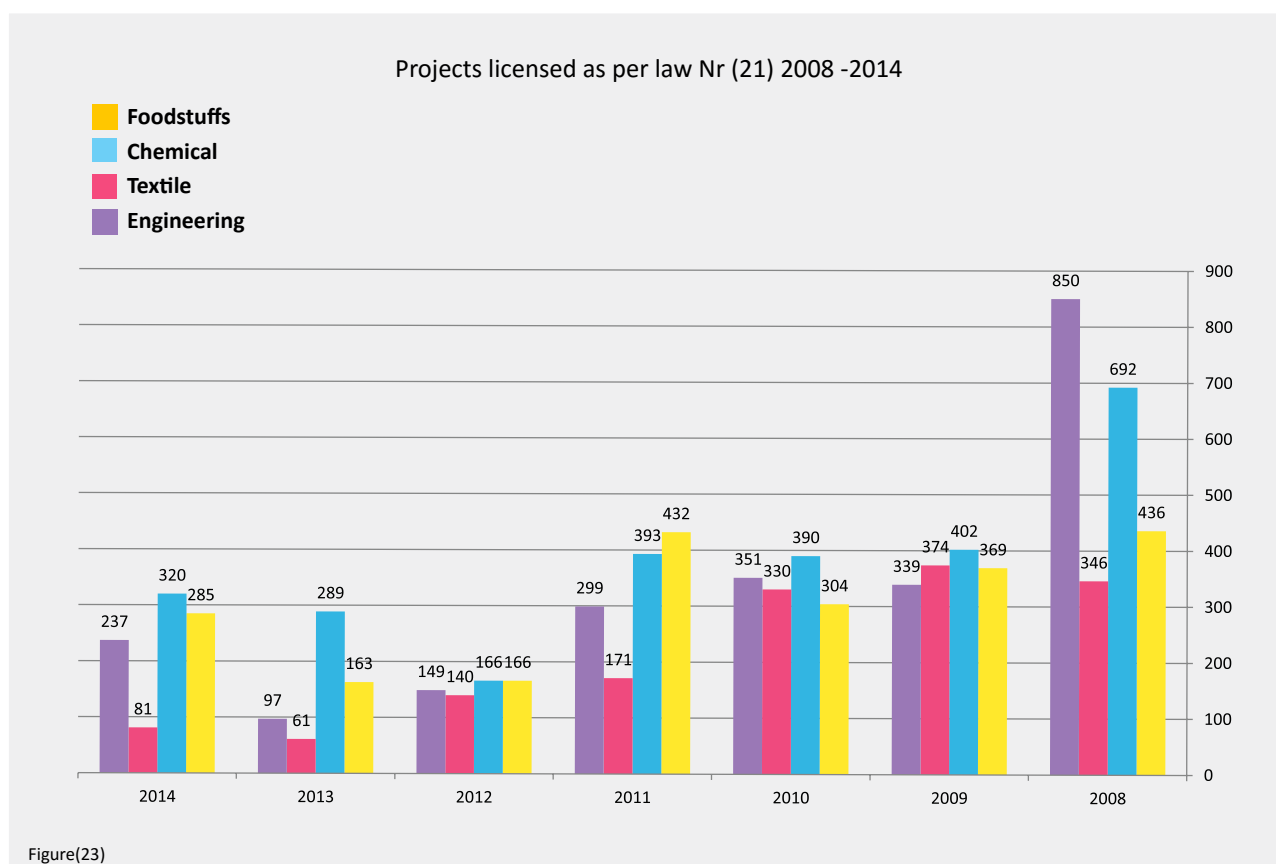
Figure(22)

While industrial projects licensed as per provisions law Nr.21 during the different types of industries reached up to (8632), and the chemical sector had the big share as clarified in the table hereunder:

Table (26) Projects licensed as per law Nr.(21) 2008 -2014

Year	Foodstuffs	Chemical	Textile	Engineering	Total
2008	436	692	346	850	2324
2009	369	402	374	339	1484
2010	304	390	330	351	1375
2011	432	393	171	299	1295
2012	166	166	140	149	621
2013	163	289	61	97	610
2014	285	320	81	237	923
Total	2155	2652	1503	2322	8632

Source: Ministry of Industry



Agriculture sector:

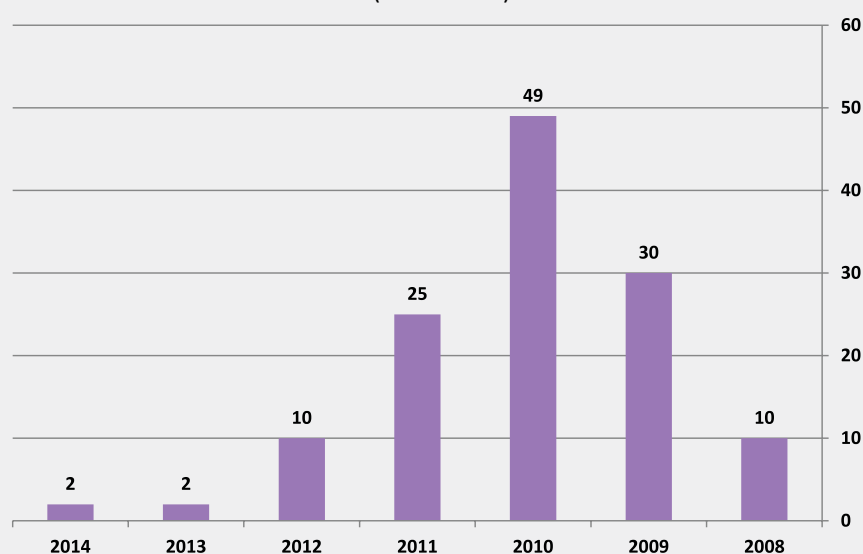
Two agriculture projects were licensed during 2014, so that total number of licensed agricultural projects became 128 one during the period 2008-2014, at an approximate investment cost of 34407 million S.P. It is expected that they shall provide 8402 job opportunities.

Table(27) Agricultural investment projects licensed as per legislative decree Nr/8/ of 2007 (2008 -2014) (million S.P)

Year	Number of enterprises	Investment costs	Value of machines and services transport means	Number of workers
2008	10	2863	1727	771
2009	30	2043	1349	1179
2010	49	3861	3510	1798
2011	25	24427	22206	1745
2012	10	880	800	2828
2013	2	267	243	59
2014	2	66	60	22
Total	128	34407	29895	8402

Source: SIA

Agricultural investment projects licensed as per legislative decree Nr/8/ of 2007 (2008 -2014)



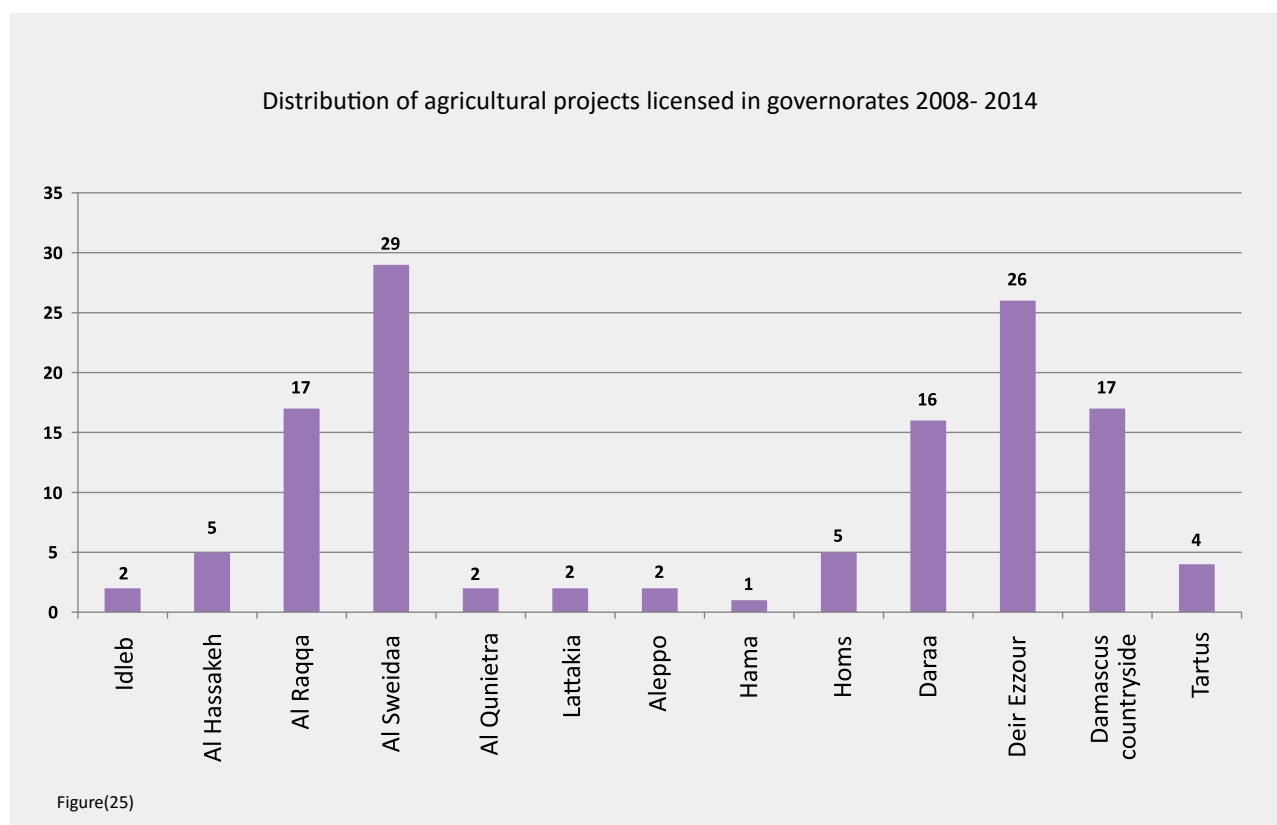
Figure(24)

As for distribution of agricultural projects in governorates during 2008-2014, it is remarkable that Al Sweidaa governorate was in the first rank. (29) projects then Deir Ezzour, Damascus countryside, Al Raqqa and Dara, 26-17-17-16 projects consequently.

Table(28) Distribution of agricultural projects licensed in governorates 2008- 2014 (million S.P)

Governorate	Number of projects	Investment costs	Number of workers
Idleb	2	195	68
Al Hassakeh	5	2137	616
Al Raqqa	17	1107	3786
Al Sweidaa	29	9594	746
Al Qunietra	2	132	36
Lattakia	2	247	47
Aleppo	2	7800	635
Hama	1	34	11
Homs	5	850	224
Daraa	16	1402	414
Deir Ezzour	26	1256	542
Damascus countryside	17	9350	1205
Tartus	4	303	72
Total	128	34407	8402

Source: SIA

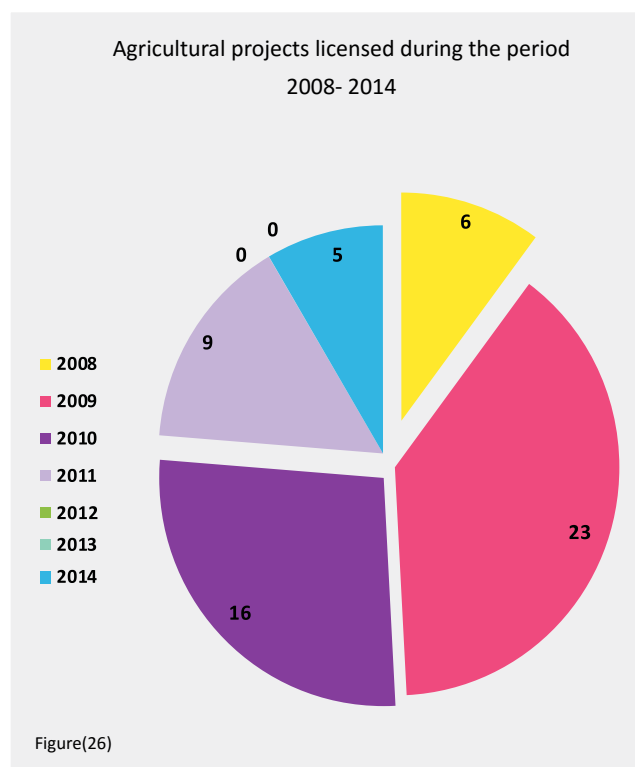


Licensed agricultural projects:

As per data of the ministry of agriculture, 59 projects were licensed during the period 2008-2014 distributed as per the following table:

Table(29) Agricultural projects licensed during the period
2008- 2014

Year	Number of projects
2008	6
2009	23
2010	16
2011	9
2012	0
2013	0
2014	5
Total	59



Source: Ministry of agriculture

Ministry of agriculture performed many procedures to activate this sector, here are some of those measures:

- Granting the initial approval to permit agricultural projects at SIA and its branches within less than 24 hours.
- Directors of agriculture and agrarian reformation in all governorates are authorized to grant initial licenses for agricultural projects, after performing site inspection by competent technical committee.
- Granting final agricultural licenses within 48 hours directly from the ministry.
- Providing all information related to resolutions regulating agricultural activities (Botanic or animal).
- Setting the agricultural investment map which include, investment opportunities adequate for each governorate, in addition to all what may be useful for investors in Syrian governorates and all are published on the website.

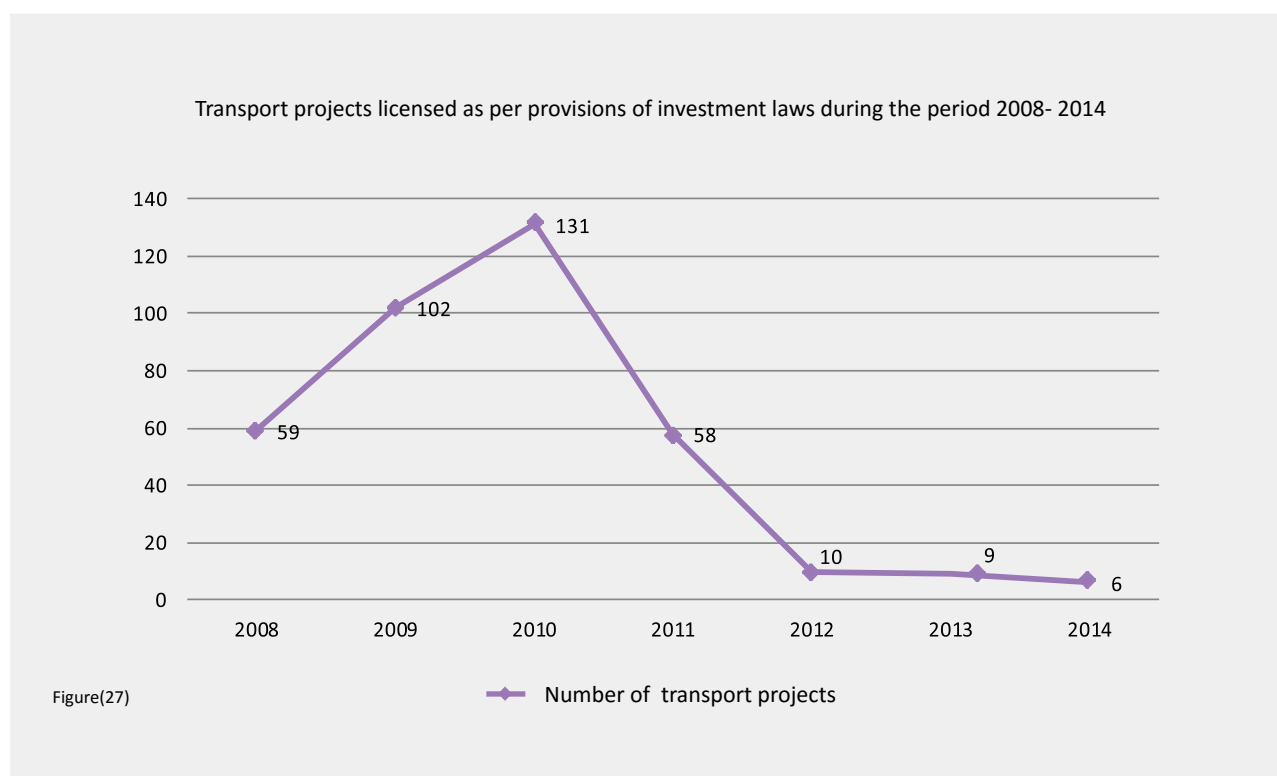
Transport sector:

This sector is very essential and has an important role to connect economic and residential complexes and markets and also it has a role in the field of tourism, transport projects occupied the second rank, 375 projects were permitted as per provisions of decree /8/ of 2007 during the period 2008-2014, at an investment cost of 118613 million S.P. Number of workers reached up to 21722 workers, six(6) out of those projects were during 2014 at an investment cost of 701 million S.P.

Table(30) Transport projects licensed as per provisions of investment laws during the period 2008- 2014 (million S.P)

Year	Number of projects	Investment costs	Value of machines, equipments and services transport means	Number of workers
2008	59	7553	6073	3181
2009	102	11696	9626	5904
2010	131	10255	9323	6167
2011	58	2777	2524	1732
2012	10	19672	17884	376
2013	9	65959	59962	4168
2014	6	701	637	194
Total	375	118613	106029	21722

Source: SIA

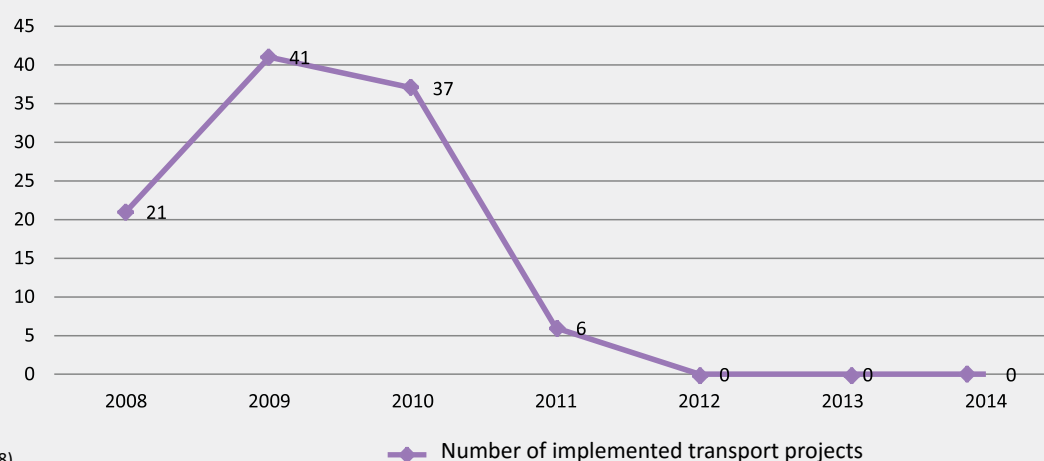


While total number of implemented transport projects during that period was 105 projects distributed in governorates as stated in the table (31).

Table (31) Transport projects implemented during the period 2008- 2014

Year	2008	2009	2010	2011	2012	2013	2014	Total
Governorate								
Damascus	1	4	5	1	0	0	0	11
Damascus countryside	2	6	9	0	0	0	0	17
Aleppo	9	6	5	1	0	0	0	21
Hama	2	2	2	1	0	0	0	7
Homs	1	7	3	1	0	0	0	12
Lattakia	1	4	7	1	0	0	0	13
Tartus	4	8	1	1	0	0	0	14
Idleb	0	0	2	0	0	0	0	2
AlRaqqa	1	2	2	0	0	0	0	5
Deir Ezzour	0	2	0	0	0	0	0	2
Al Hassakeh	0	0	0	0	0	0	0	0
Daraa	0	0	0	0	0	0	0	0
Al Sweida	0	0	1	0	0	0	0	1
Al Qunietra	0	0	0	0	0	0	0	0
Total	21	41	37	6	0	0	0	105

Transport projects implemented during the period 2008- 2014



Figure(28)

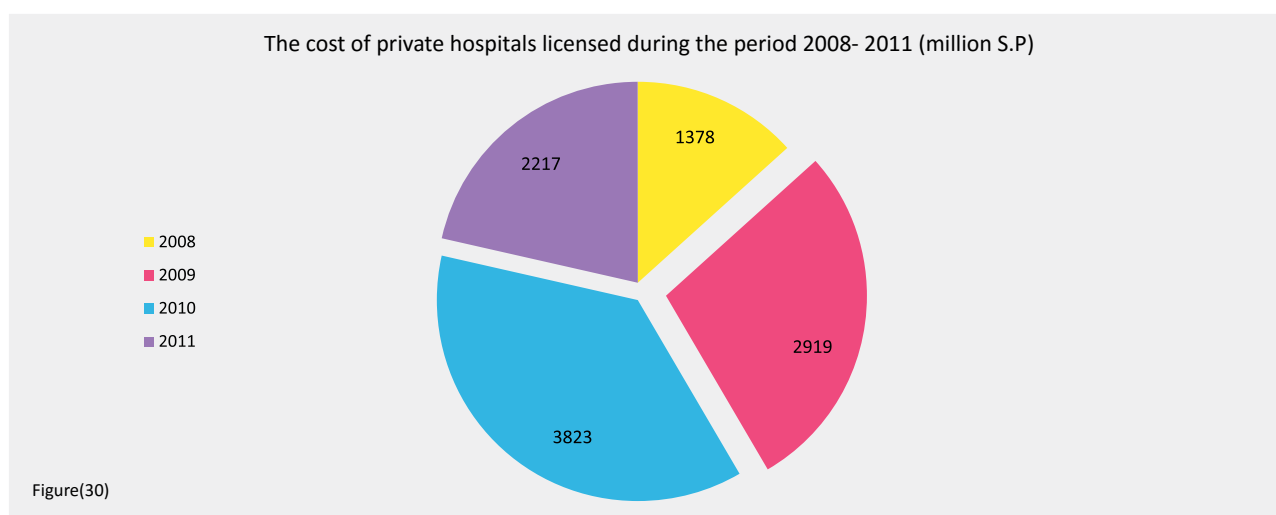
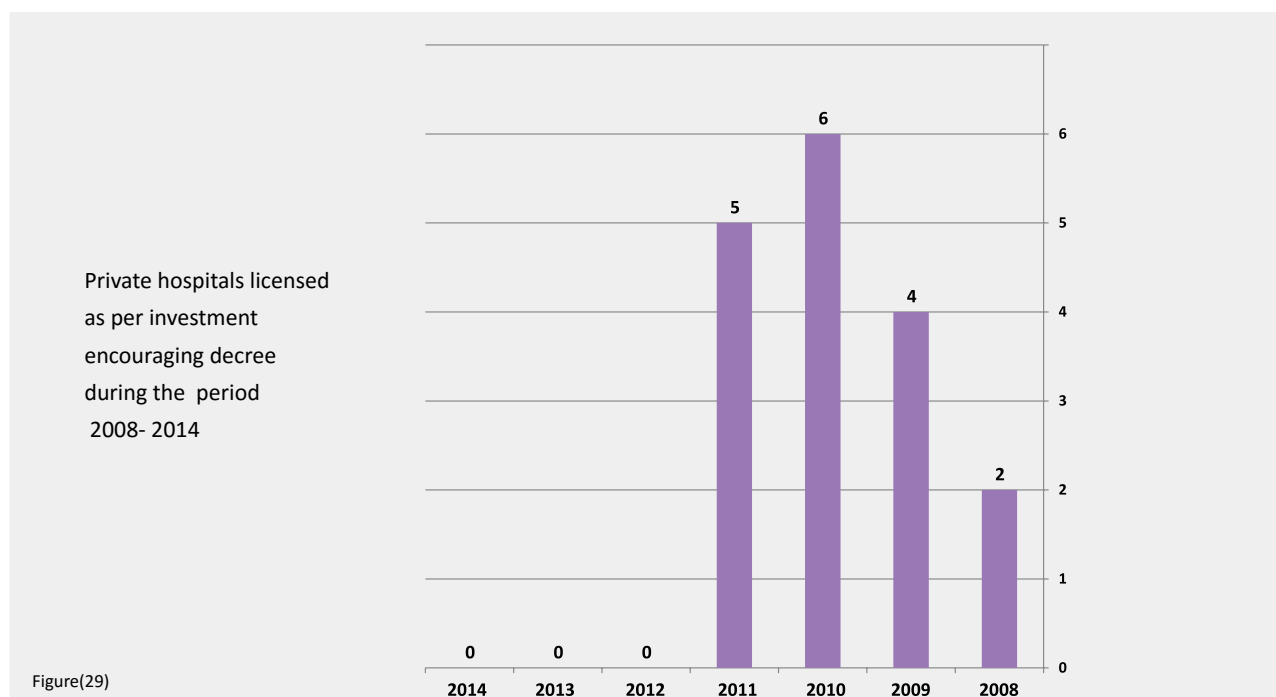
Health sector:

Seventeen (17) private hospitals were permitted during the period 2008-2014 at an investment cost of 10337 million S.P

Table(32) Private hospitals licensed as per investment encouraging decree during the period 2008- 2014 (million S.P)

Year	Number of projects	Investment costs	Value of machines, equipments and services transport means	Number of workers
2008	2	1378	859	414
2009	4	2919	1734	360
2010	6	3823	3475	658
2011	5	2217	2015	1255
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0
Total	17	10337	8083	2687

Source: SIA



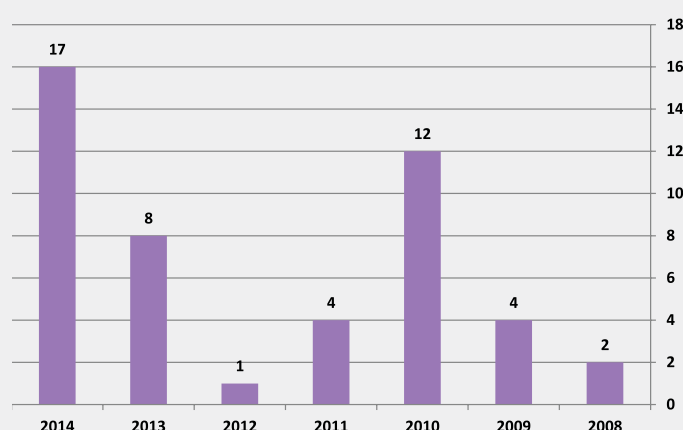
As for medicaments industry (48) projects were permitted during the period 2008-2014, at an investment cost of (23900) million S.P.

Table (33) Medicaments projects licensed as per provisions of investment encouraging decree during 2008- 2014 (million S.P)

Year	Number of projects	Capital	Value of machines, equipments and services transport means	Number of workers
2008	2	1658	1151	125
2009	4	55	50	666
2010	12	4348	3952	1593
2011	4	1274	1158	356
2012	1	1650	1500	133
2013	8	4455	4050	979
2014	17	9948	9044	2643
Total	48	23900	21237	6495

Source: SIA

Medicaments projects licensed during the period 2008- 2014



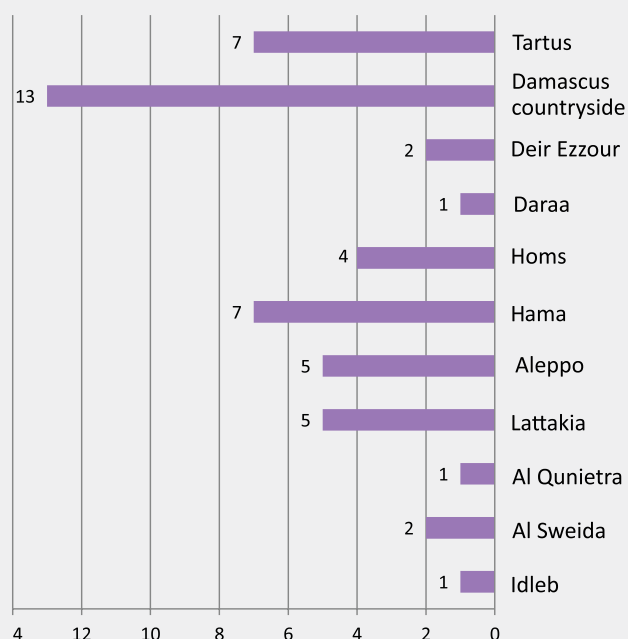
Figure(31)

Table (34) Medicaments projects licensed as per provisions of investment encouraging decree 2008- 2014 according to governorate (million S.P)

Governorate	Number of projects	Capital	Value of machines, equipments and services transport means	Number of workers
Idleb	1	479	435	204
Al Sweida	2	2893	2630	144
Al Qunietra	1	33	30	18
Lattakia	5	830	755	530
Aleppo	5	2126	1933	518
hama	7	5464	4610	1445
Homs	4	2398	2180	325
Daraa	1	513	332	300
Deir Ezzour	2	506	460	55
Damascus countryside	13	6700	6092	1682
Tartus	7	1958	1780	1274
Total	48	23900	21236	6495

Source: SIA

Medicaments
projects licensed
as per provisions of
investment encouraging
decree Nr./8/ 2008-
2014 according to
governorate



Figure(32)

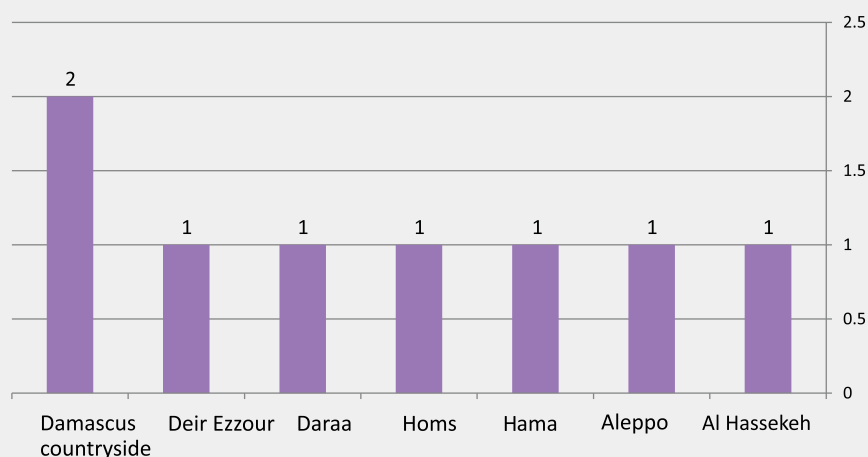
While number of medical products projects (Laboratory analysis – plastic medical tools) permitted during the same period, reached up to eight (8) one distributed according to governorates and year as clarified in the following tables:

Table (35) Investment projects permitted as per decree /8/ of 2007 (Plastic medical tools and laboratory analysis) according governorates (million s.p)

Governorate	Number of projects	Capital	Value of machines , equipments and services transport means	Number of workers
Al Hassekeh	1	110	100	60
Aleppo	1	128	96	60
Hama	1	176	160	200
Homs	1	421	359	35
Daraa	1	110	100	60
Deir Ezzour	1	220	200	60
Damascus Countryside	2	1752	987	81
Total	8	2917	2002	556

Source: SIA

Number of
projects(Medical
tools and laboratory
analysis) according to
governorates



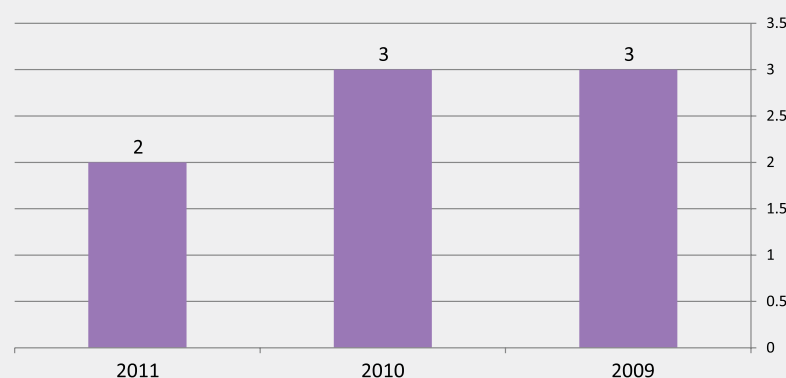
Figure(33)

Table (36) Investment projects /Medical tools and laboratory analysis/ permitted according to years (million S.P)

Years	Number of projects	Capital	Value of machines equipments and services transport means	Number of workers
2009	3	2194	1345	146
2010	3	326	297	150
2011	2	396	360	260
Total	8	2916	2002	556

Source: SIA

Medicaments and serums production projects according to years



Figure(34)

We find that seven projects for the production of medicines and serums during the period 2008-2014 were implemented, three of them were in Hama as stated in the following table:

Table (37) Medicaments and serums production projects implemented according to investment encouraging decree(million S.P)

Governorate	Year	Number of project	Capital	Number of workers
Hama	2008	1	70	32
Damascus Countryside	2009	1	305	51
Homs	2010	1	500	82
Damascus Countryside	2010	1	797	34
Daraa	2012	1	1000	40
Hama	2012	1	435	24
Hama	2014	1	87696	12
Total		7	90803	275

Source: Ministry of Industry

Ten/10/ under-implementation hospitals are distributed in governorates as follows:/5/ in Damascus and one/1/ in each Lattakia, Homs and Aleppo and /2/ in Damascus countryside.

Industrial cities and Zones:

First: Investment in the four industrial cities:

Industrial cities played an important role international economy development throughout supporting industry as a basic and sustainable resource to national income , and by deployment of integrated factories complexes, where adequate, modern infrastructure which encourages industry at the cost price and application of the one-stop-shop to facilitate procedures for investors and to attract local, Arab and foreign investments, their value exceeded 571,587 milliard S.P. (Investment volume was calculated on basis of purchase capacity of Syrian pound in 2011, providing about 114627 job opportunities.

Table (38) Investment in the four industrial cities till the end of 2014 (milliard S.P)

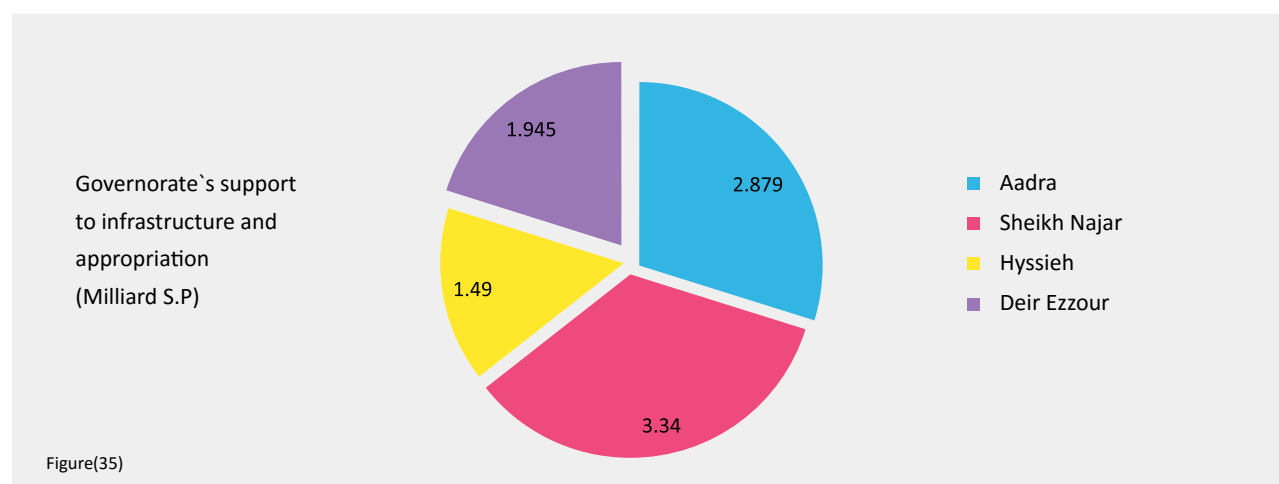
Item	Aadra	Sheikh Najar	Hyssieh	Deir Ezzour	Total
Governorate's support to infrastructure and appropriation	2.879	3.34	1.49	1.945	9.654
Net accumulative investment revenues	13.5	11.008	5.428	0.097	30.033
Accumulative expenditure on infrastructure and appropriation	13.45	12.856	5.37	1.922	33.598
Volume of investments revenues	291.5	167.496	108.9	3.691	571.587
Total number of under -construction enterprises	2231	50	172	0	2453
Total number of under-production enterprises	1199	334	121	4	1658
Number of job opportunities in building and operation of factories	50754	5600	20512	123	76989

Source: Ministry of Local Administration

• Government's support to infrastructure and appropriation:

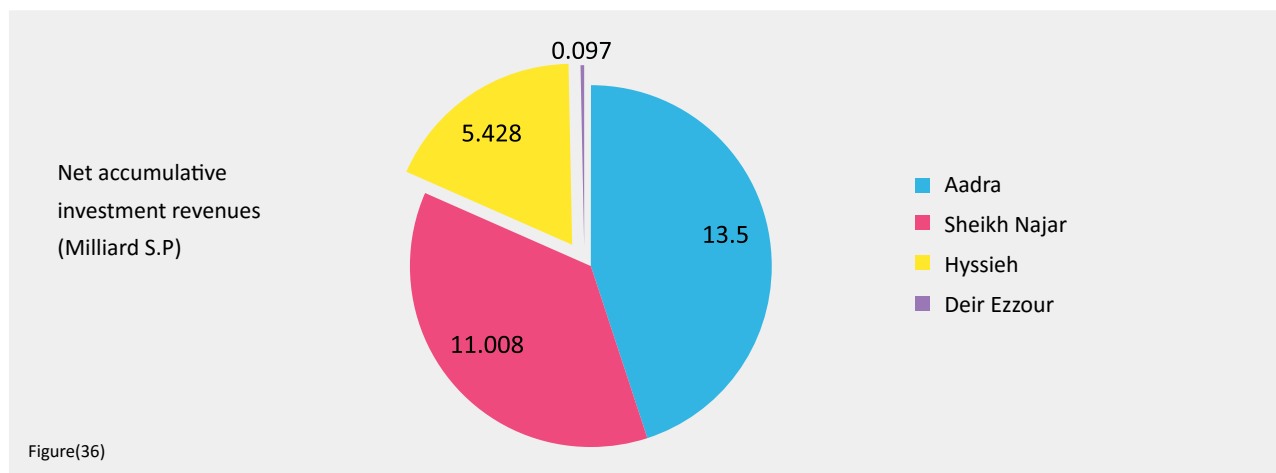
Contributions submitted by government for infrastructure and appropriation in the four industrial cities, reached up to 9,654 milliard S.P distributed as follows:

3,34 milliard S.P for al Sheikh Najar, 2,879 milliard S.P for Aadra, 1,945 milliard S.P for Deir Ezzour and 1,49 milliard S.P for Hyssieh industrial city.



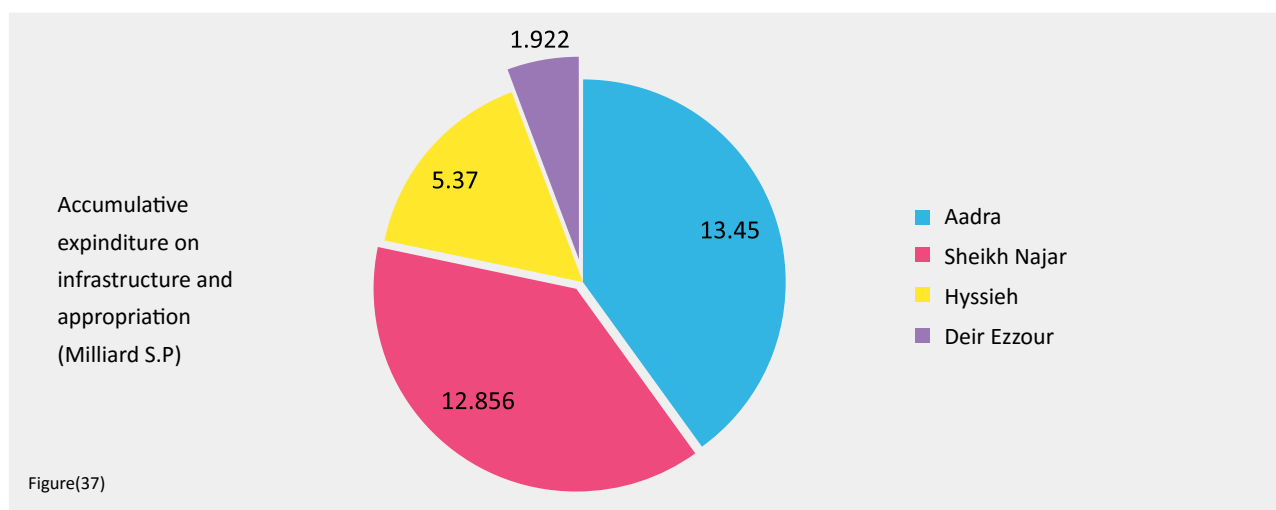
- **Net accumulative investment revenues :**

Net accumulative of the four industrial cities amounted 30,033 milliard S.P till 31/12/2014. Aadra was in the first rank from the view point of volume of revenues at 13,5 milliard S.P, then Al Sheikh Najar in Aleppo at 11,008 milliard S.P, Hyssieh industrial city at 5,428 milliard S.P and Deir Ezzour industrial city at 0,097 milliard S.P.



- **Accumulative expenditure on implementation of infrastructure or appropriation:**

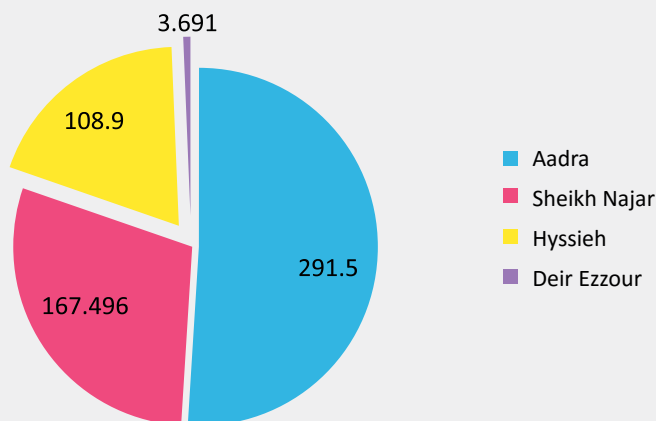
An amount of 33,598 milliard S.P was spent on execution of infrastructure and appropriation in industrial cities till the end of 2014, at 54% of the total cost of industrial cities which amounts 62,5 milliard S.P distributed as follows: 13,45 milliard S.P of Aadra city, 12,856 milliard S.P for Al Sheikh Najar city 5,37 milliard S.P for Hyssieh and 1,922 milliard S.P for Deir Ezzour.



- **Total volume of investments revenues :**

(571,587) milliard S.P was the volume of total investments in Industrial cities at the end of 2014, the big share was in Aadra city at 291,5 milliard S.P, then 167,496 milliard S.P at Al Sheikh Najar city, while investment volume amounted 108,9 and 3,691 milliard S.P for Hyssieh and Deir Ezzour consequently.

Volume of accumulative investments
(Milliard S.P)

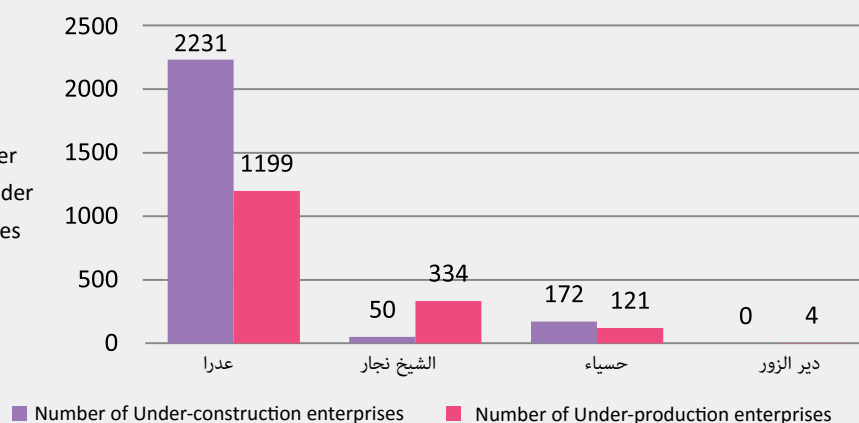


Figure(38)

• Number of enterprises in industrial cities:

Number of enterprises in industrial cities till the end of 31/12/2014, reached up till 4111, 2453 are under actual construction and 1658 are under actual production, and due to current circumstances, 666 enterprises were transported to Aadra temporarily. Their status are being settled in accordance to rental, partnership or investment contracts and obtaining administrative licenses, so that total number of actually producing enterprises in Aadra industrial city became 1199 one.

Total number of under-construction and under production enterprises



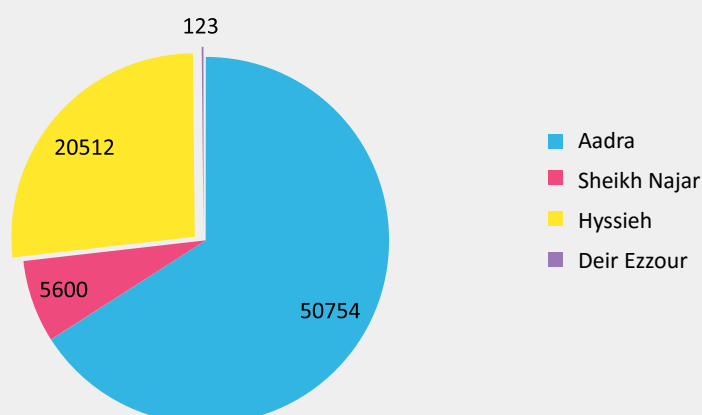
Figure(39)

• Job opportunities:

Number of job opportunities provided by the four industrial cities were 114627, part of them became inactive due to current crisis to be as a total 76989 job opportunity, distributed as follows:

50754 one in Aadra, 20512 one in Hyssieh, 5600 one in Al Sheikh Najar and 123 job opportunity in Deir Ezzour.

Number of job opportunities in building and operation of factories



Figure(40)

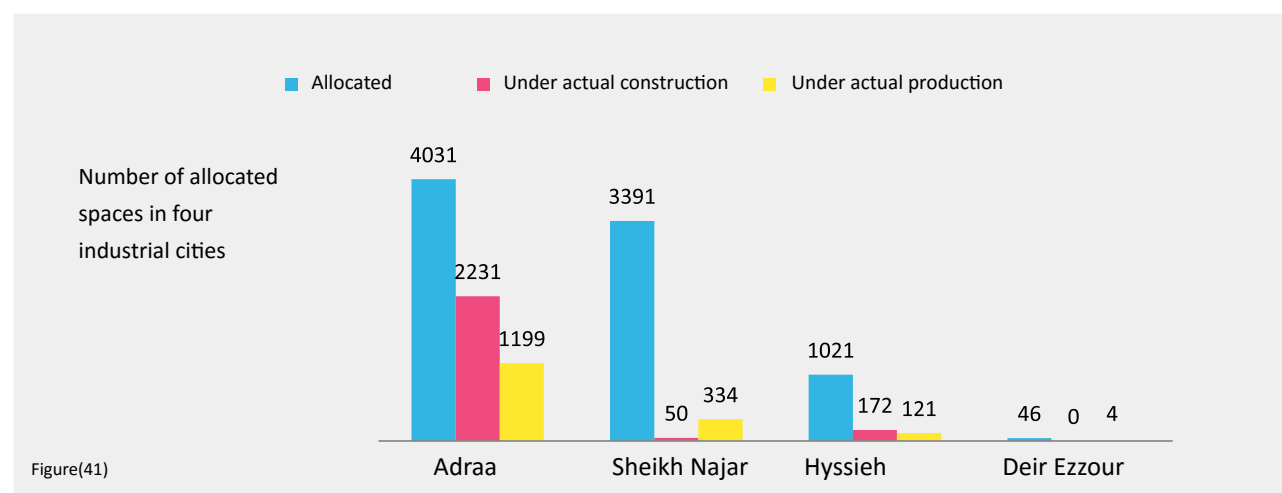
Second: Number of spaces and volume of investments in the four industrial cities:

Total number of spaces in the four industrial cities reached up to 18952 one at an investments value of 571,587 milliard S.P. The following table states number of spaces and volume of investments in each industrial city.

Table(39) Number of allocated spaces in four industrial cities

Industrial city	Volume of investments	Number of Spaces	Allocated	Under actual construction	Under actual production
Adraa	291.5	10196	4031	2231	1199
Sheikh Najar	167.496	6006	3391	50	334
Hyssieh	108.9	1979	1021	172	121
Deir Ezzour	3.691	771	46	0	4
Total	571.587	18952	8489	2453	1658

Source: Ministry of Local Administration



Third: Reading to some economic indicators of Aadra industrial city:

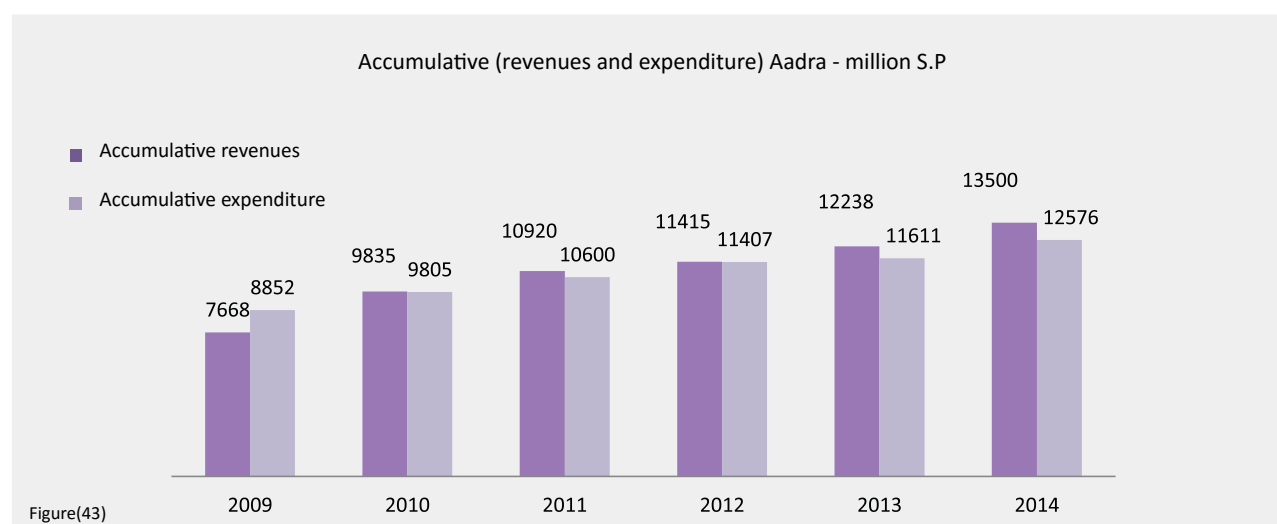
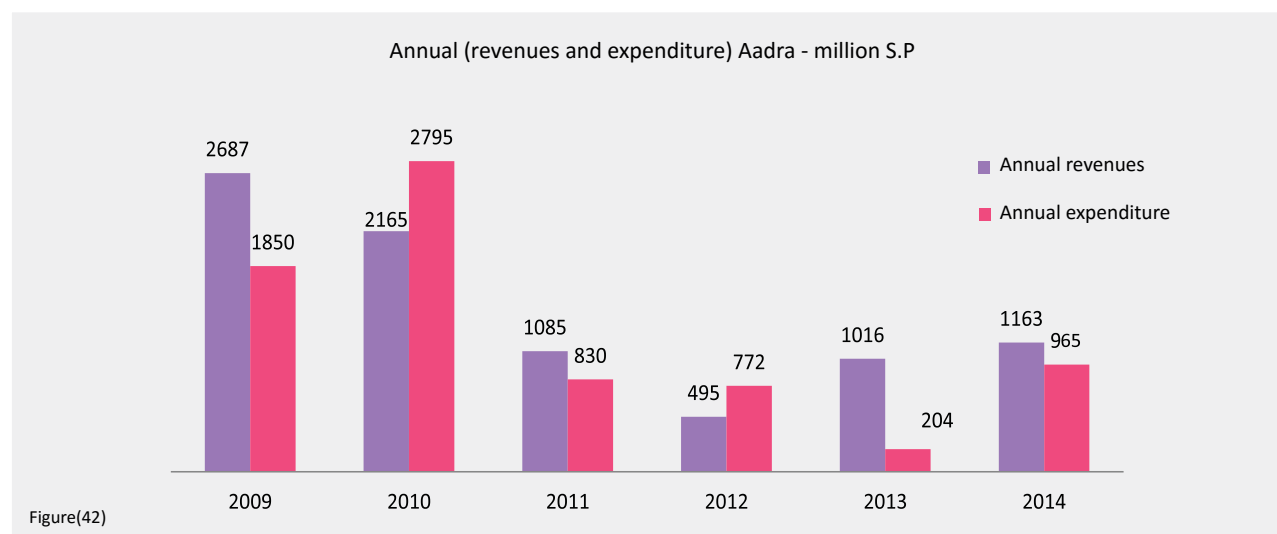
Aadra industrial city achieved revenues of 1163 million S.P during 2014 at a rate of 70% of the annual revenues plan which was 1667 million S.P. Annual expenditure amounted 965 million S.P at an implementation rate of 32% of the annual plan of 2974 million S.P. Thus, it exceeded the accumulative annual investment revenues of 13500 million S.P. Accumulative expenditure on implementation of infrastructure which amounted 12576 million S.P. While total volume of investments reached up to 291500 million S.P providing 50665 (Except workers in projects of implementation of infrastructure projects from both private and public sector).

Accumulative total number of under-construction enterprises was (2231) one and 1199 one of under-production enterprises.

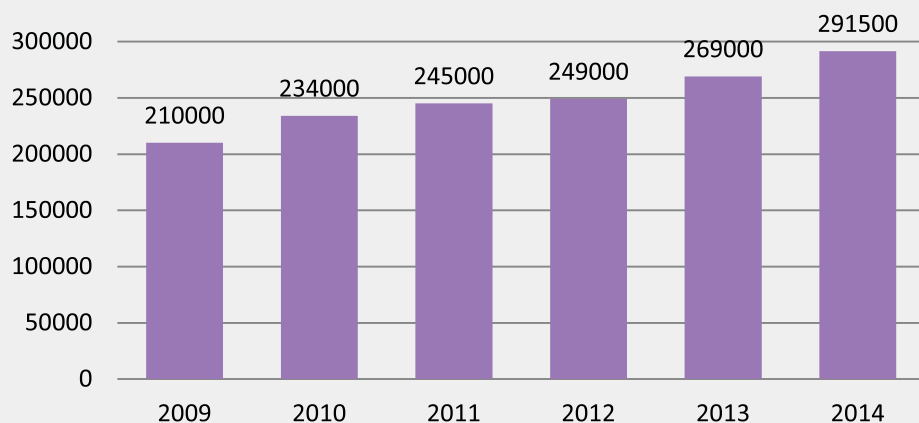
Table (40) Economic indicators during the last six years – Aadra (million S.P)

Item	2009	2010	2011	2012	2013	2014
Annual revenues	2687	2165	1085	495	1016	1163
Annual expenditure	1850	2795	830	772	204	965
Accumulative total investment volume	210000	234000	245000	249000	269000	291500
Accumulative number of factories under- actual construction	1567	1768	1778	201	619	2231
Accumulative number of factories in actual operation	222	302	395	321	473	1199
Accumulative workforce volume	34251	43360	47983	7244	8835	50665

Source: Ministry of Local Administration



Accumulative total investment volume- Aadra (million S.P)



Figure(44)

Fourth: Revenues of industrial city in Al Sheikh Najar industrial:

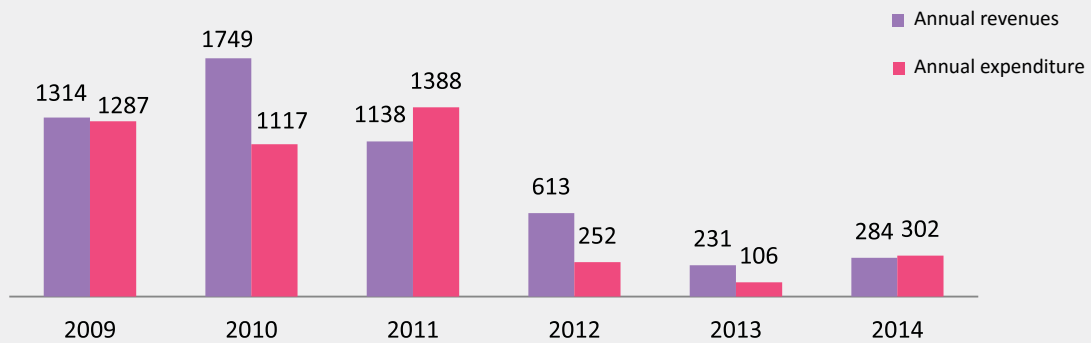
Revenues in 2014 reached up to 284 million S.P at an accomplishment rate of 52% of the annual plan of revenues which amounted 542 million S.P and annual expenditure amounted 302 million S.P at an accumulative investment revenues of 11008 million S.P i.e 93% of the accumulative expenditure on implementation of infrastructure which amounted 11899 million S.P. While total investments volume reached up to 167496 million S.P providing 5600 job opportunities (Except workers in projects of implementation of infrastructure from both public and private sectors). Total accumulative number of enterprises after liberalization of the industrial city was (50) enterprises (under-construction) and 334 one (under-production).

Table (41) Economic indicators during the last six years – Al Sheikh Najar (million S.P)

Item	2009	2010	2011	2012	2013	2014
Annual revenues	1314	1749	1138	613	231	284
Annual expenditure	1287	1117	1388	252	106	302
Total investment volume	106000	157000	174744	180000	167496	167496
Number of factories under-construction	1342	1493	1552	79	0	50
Number of factories in operation	411	513	614	240	200	334
Number of job opportunities in under construction and under production enterprises	30000	35000	38800	8400	4000	5600

Source: Ministry of Local Administration

Annual (revenues and expenditure) - Al Sheikh Najar (million S.P)



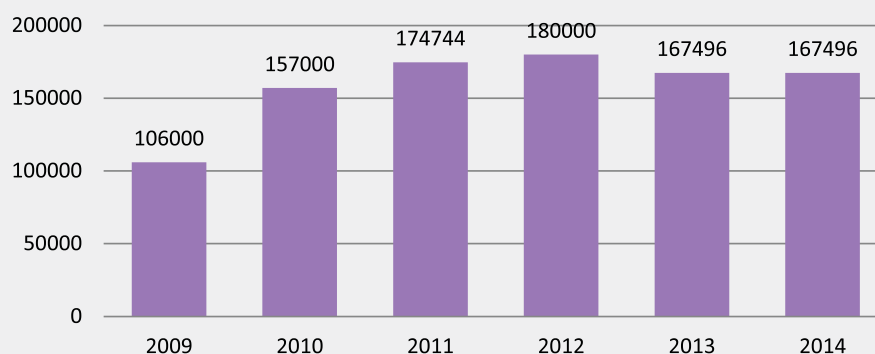
Figure(45)

Accumulative revenues and expenditure - Al Sheikh Najar(million S.P)



Figure(46)

Total investment volume - Al Sheikh Najar (million S.P)



Figure(47)

Fifth: Revenues of Hyssieh industrial city :

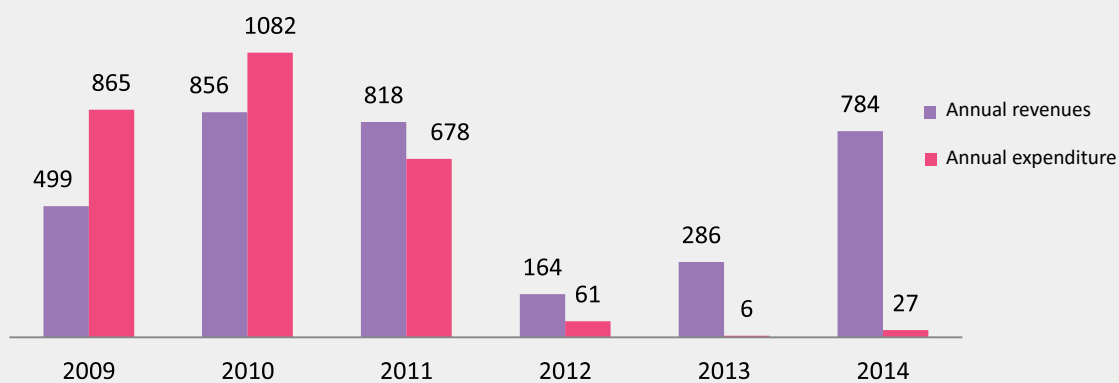
Revenues of Hyssieh industrial city amounted (784) million S.P during 2014 at an accomplishment rate of 245% of the annual plan of revenues (320) million S.P. While annual expenditure reached up to (27) million S.P at an implementation rate of 9% of the annual plan that is (295) million S.P, Thus, accumulative investment revenues reached up to (5428) million S.P, while expenditure on infrastructure reached up to (5370) million S.P. And total volume of investments reached up to (108900) million S.P. And they provided (20512) job opportunities (Except workers of infrastructure implementation in projects of both public and private sectors). Actual number of under-construction enterprises was (172) one and (121) under production one.

Table(42) Economic indicators of Hyssieh industrial city during last six years (million S.P)

Item	2009	2010	2011	2012	2013	2014
Annual revenues	499	856	818	164	286	784
Annual expenditure	865	1082	678	61	6	27
Total investments volume	61000	86000	94600	101000	102000	108900
Number of factories under - construction	305	318	314	20	35	172
Number of factories in operation	109	144	168	116	130	121
Number of job opportunities in under- operation and construction enterprises	15750	19486	19766	4000	14277	20512

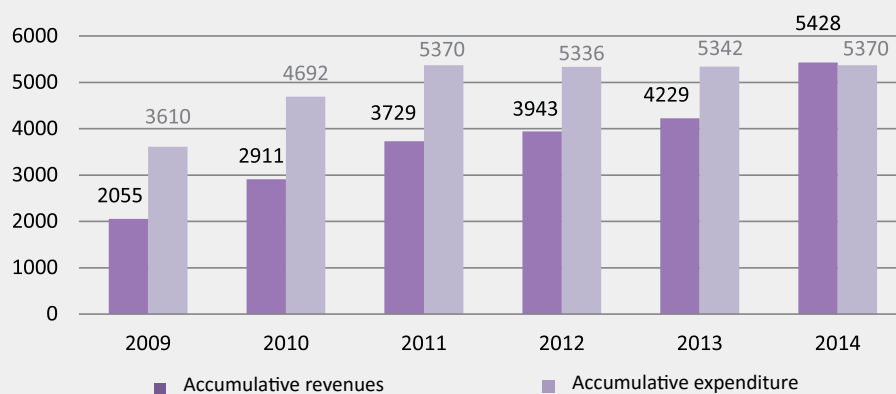
Source: Ministry of Local Administration

Annual revenues and expenditure - Hyssieh (million S.P)

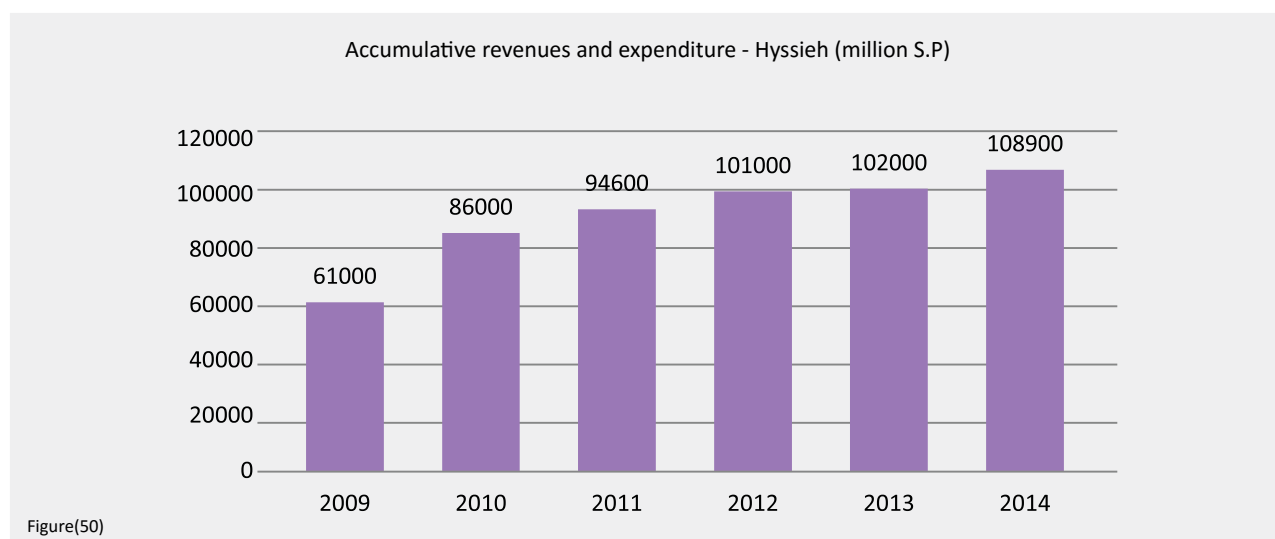


Figure(48)

Accumulative revenues and expenditure - Hyssieh (million S.P)



Figure(49)



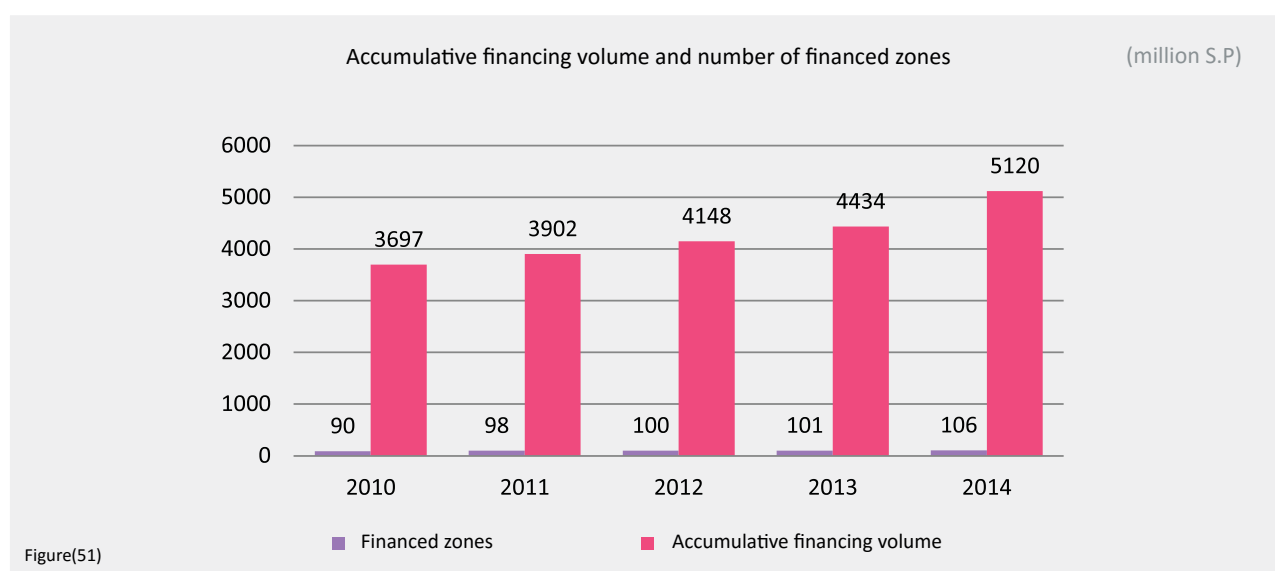
Actual status of crafts and industrial zones and their financing :

Ministry of local administration paid great attention to establishing and investing industrial and craft zones in all governorates, financial contributions were allocated for his purpose, exceeding 5,120 milliard S.P since 2006, distributed on 106 craft and industrial zones in all governorates, according to specific mechanism and plans which are followed up periodically and by field tours. The following table states accumulative contributions during last five years.

Table(43) Accumulative contribution granted to crafts and industrial zones during last five years. (million S.P)

Year	Number of financing industrial zones	Volume of accumulative financial
2010	90	3697
2011	98	3902
2012	100	4148
2013	101	4434
2014	106	5120

Source: Ministry of Local Administration

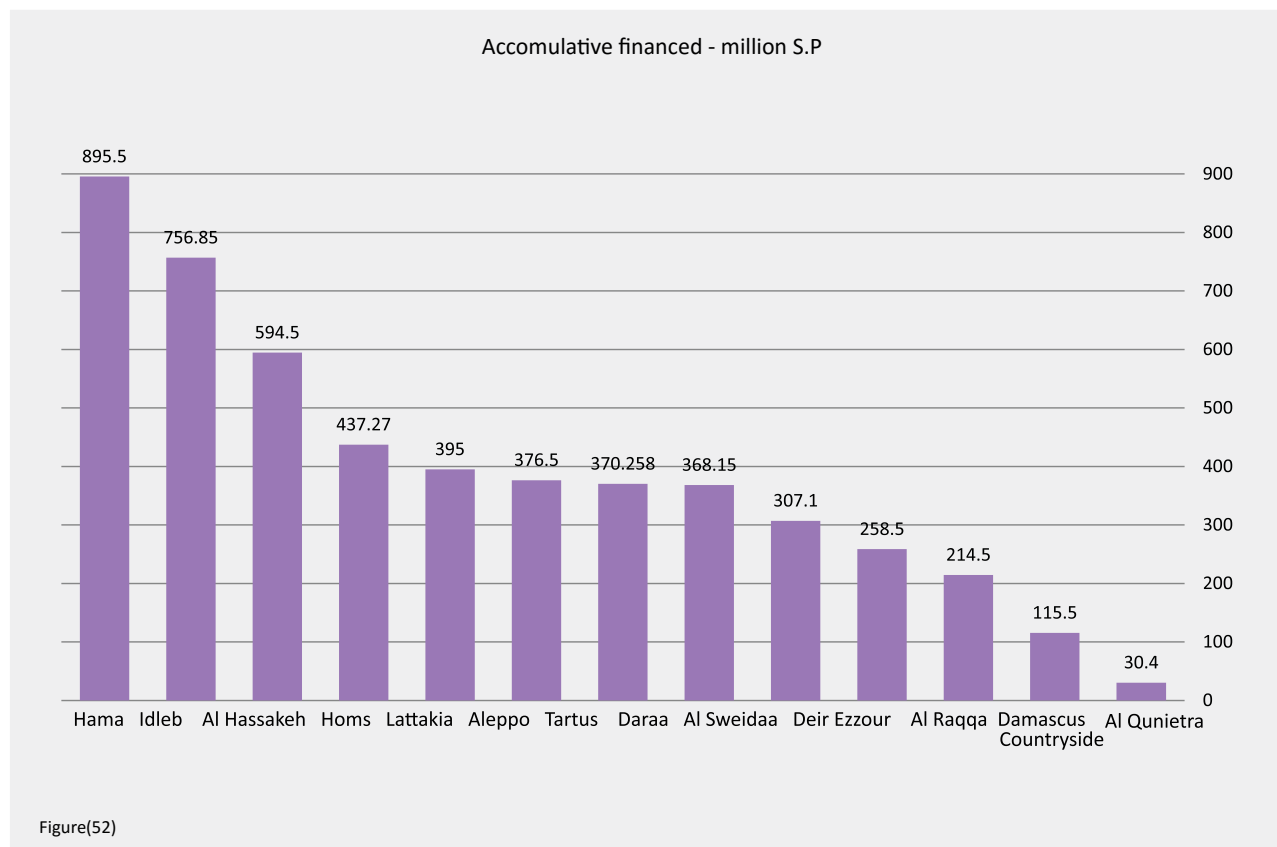




Table(44) Accumulative financing volume distributed by governorates (million S.P)

Volume of financing	Governorate
30.4	Al Qunietra
115.5	Damascus Countryside
214.5	Al Raqqa
258.5	Deir Ezzour
307.1	Al Sweidaa
368.15	Daraa
370.258	Tartus
376.5	Aleppo
395	Lattakia
437.27	Homs
594.5	Al Hassakeh
756.85	Idleb
895.5	Hama

Source: Ministry of Local Administration



The plan of financing crafts and industrial zones during the period 2011-2015:

Credits allocated for financing crafts and industrial zones during years of the eleventh five – years plan, amounted /7/ milliard S.P, at an increase of 40% against credits of the previous five-years plan which amounted /5/ milliard S.P. Credits were decreased to /5,2/ milliard S.P due to current circumstances. The following table shows dedicated credits of the eleventh five – years plan and credits which were financed actually by ministry of finance in addition to implementation rates.

Table (45) The plan of financing crafts and industrial zones during the period 2011- 2015 (million S.P)

Year	Years of plan					Total
	2011	2012	2013	2014	2015	
Planned credits	1200	1200	1000	1000	800	5200
Amounts finances actually by the ministry	205	246.35	286	685.708	0	1423.1
Implementation rate	17.10%	20.50%	28.60%	68.60%	0	27.40%

Source: Ministry of Local Administration

The most important activities related to industrial and hand crafts zones during 2014:

- 1- Approval to consider crafts and industrial zones which are within organizational charts as residential zones, and not to obligate them to pay costs of transformation stations.
- 2- Three new industrial zones, were established in coordination with Regional Planning Commission, two of them in Lattakia governorate (Al Krama and Al Karkit) and one in Al Sweida governorate (Al Kafr) . They are followed up by ministry and governorates of Lattakia and Al Sweida.
- 3- Amending building and executive plans, by increasing number of floors for crafts and industrial zones in Tartus city, to fulfill the need of most possible number of crafts and industry men to improve investment factor.
- 4- Contributions of 685,708 million S.P were granted during 2014, distributed on 23 zone in Damascus countryside, Homs, Hama, Lattakia, Tartus and Al Sweidaa. Five zones were financed.

Damages which affected industrial cities and zones due to current crisis:

The current crisis led to great damages in infrastructure in Al Sheikh Najar and Deir Ezzour industrial cities, while most enterprises (under- construction and under- production)were stopped to limited extent in Hyssieh industrial city which led to recession in volume of investments , number of workers in building and operation of factories and other utilities in those cities. Implementation and investments works were stopped in most of crafts and industry zones in governorate due to destruction and theft.

Administration came back to Al Sheikh Najar industrial city after its liberalization, and an amount of 200 million S.P was allocated to rehabilitation of infrastructure while administration of Deir Ezzour industrial city was moved outside the industrial city.

The following table clarifies some damages which affected the four industrial cities.

Table (46) Damages in the four industrial cities due to crisis

Factories		Aadra	Sheikh Najar	Hyssieh	Deir Ezzour	Total
Under construction	Total	2231	1259	412	17	3919
	Stopped	0	1209	240	17	1466
	Damage rate	0%	96%	58%	100%	37%
Under production	Total	1200	965	187	8	2360
	Stopped	1	631	66	4	702
	Damage rate	0%	65%	35%	50%	30%
Number of workers	Total	50754	42000	20512	1361	114627
	Stopped	99	36400	3430	1238	41167
	Damage %	0%	87%	19%	91%	36%

Source: Ministry of Local Administration

Free zones sector:

Number of foreign companies in the free zones was 59 companies, till 31-12-2014 at a total capital of 103,166 million USD. Number of workers was 658 workers. The following table and figures shows distribution of those companies in branches of the General Establishment of Free Zones in Syrian governorates according to the type of economic activity and volume of capital.

Table(47) Distribution of foreign companies in branches of the General Establishment of Free Zones

Zone	Number of foreign companies	Volume of foreign capital(thousand \$)	Number of workers
Damascus	27	34.495	85
Airport	2	600	5
Aadra	15	13.539	105
Aleppo	6	4,785	386
Tartus	4	11.548	29
Lattakia internal branch	1	299	13
Lattakia port branch	3	2.900	18
Al Yarobeeah	1	35.000	17
Hyssieh	0	0	0
Total	59	103.166	658

Source: General Establishment of Free Zones

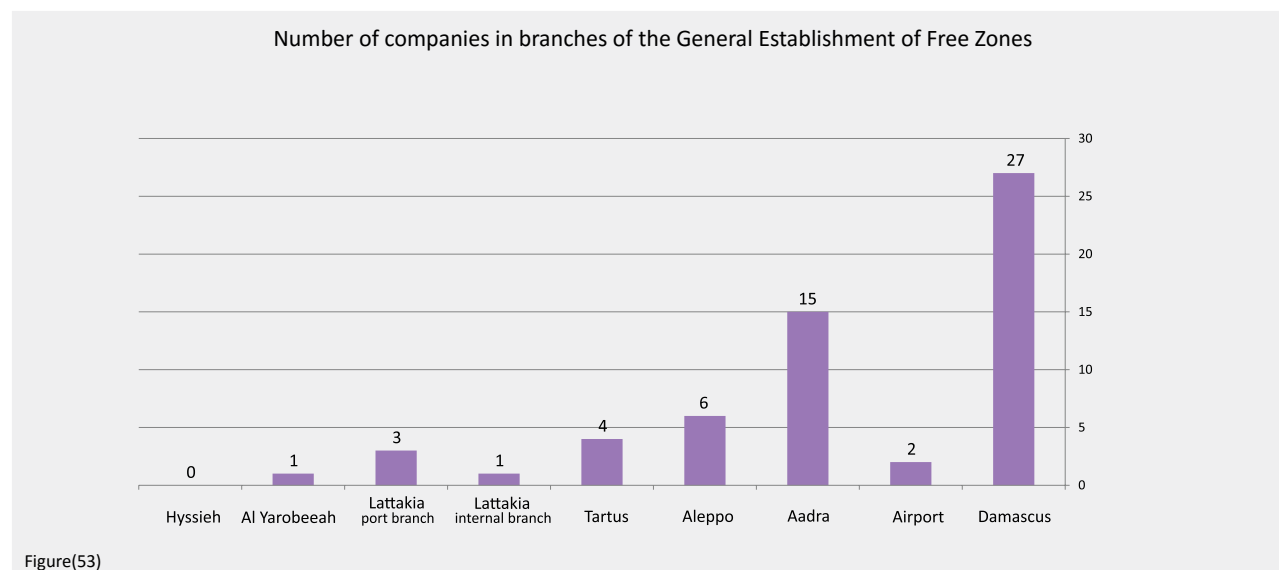
Most foreign companies are in Damascus (27 companies) while Al Yarobeeah branch is in the first rank from the view point of volume of capital at 35 million USD.

Trade companies were in the top from the point of view of distribution of companies as per economic activity (50 companies) then industrial companies /9/.

Table(48))Distribution of foreign companies in branches of the General Establishment of Free Zones according to investment activity

Branch	trade	Industry	Services	Bank	Total
Damascus	27	0	0	0	27
Airport	2	0	0	0	2
Aadra	11	4	0	0	15
Aleppo	4	2	0	0	6
Tartus	3	1	0	0	4
Lattakia internal branch	0	1	0	0	1
Lattakia port branch	3	0	0	0	3
Al Yarobeeah	0	1	0	0	1
Hyssieh	0	0	0	0	0
Total	50	9	0	0	59

Source: General Establishment of Free Zones



Concerning the most important financial indicators of the performance of the General Establishment of Free Zones during the period 2008-2014, we notice the big decrease in the trade exchange movement to 84 milliard S.P in 2014 compared to 240 milliard S.P in 2008. Revenues of the establishment increased up to 1471 million S.P in 2014 against 1105 million in 2008.

Table(49) Financial indicators for the performance of the General Establishment of Free Zones 2008-2014

Years	2008	2009	2010	2011	2012	2013	2014
Revenues (Million S.P)	1105	1088	1074	941	931	938	1471
Trade exchange (Milliard S.P)	240	214	152	102	75	29	84
Invested capital (Million \$)	797	840	837	837	694	687	638
Invested capital (Milliard \$)	38	40	40	40	33	96	64
Number of investors according to activity and to occupation contracts	1191	1351	1284\ 1114	1295\ 1074	1176\966	1150\1004	1162\982
Number of workers in investing enterprises	9019	9787	7299	6617	6883	6821	7026
Investing foreign companies	72	76	79	84	78	78	59
Foreign invested capital (Million \$)	214	292	142	118	84	84	104
Foreign invested capital (Milliard \$)	10	14	6.8	5.6	4.5	5.5	10.4
Customs duties (Million S.P)	---	---	1.486	5.086	1.363	2.316	7.181

Source: General Establishment of Free Zones

Tourism sector:

Actual status of tourism investments and movement.

First-Tourism investments during the period 2008-2014:

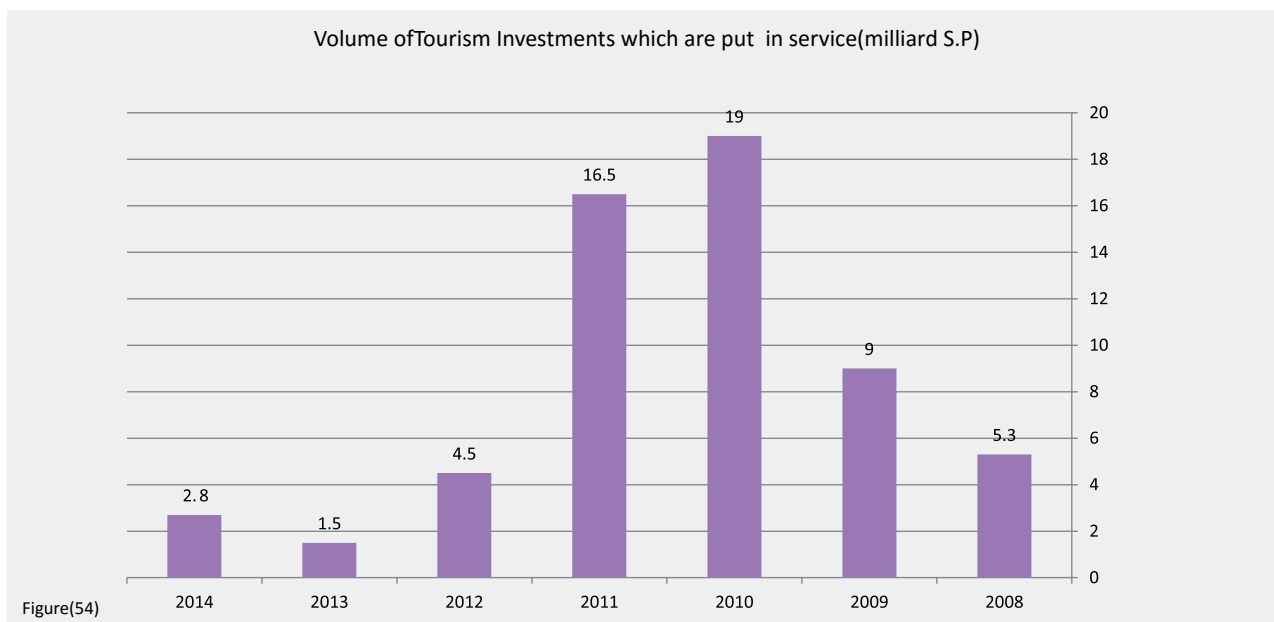
1- **In service tourism Investments** : Volume of new tourism investments (Restaurants, hotels) implemented and which are put in service , was 58,6 milliard S.P during the period 2008-2014 , 2,8 milliard S.P were implemented till 2014 as clarified in the following table:

Table(50) Tourism Investments which are put in service(milliard S.P)

2008	5.3
2009	9
2010	19
2011	16.5
2012	4.5
2013	1.5
2014	2.8
Total	58.5

Source: Ministry of Tourism

Number of investments implemented during the crisis was /375/ projects, with an investment cost of 25,2 milliard S.P, in fixed prices of 2010, all were concentrated in Damascus and its countryside, Lattakia, Tartus, Aleppo and Homs . Against 587 enterprises which became out of services due to crisis.

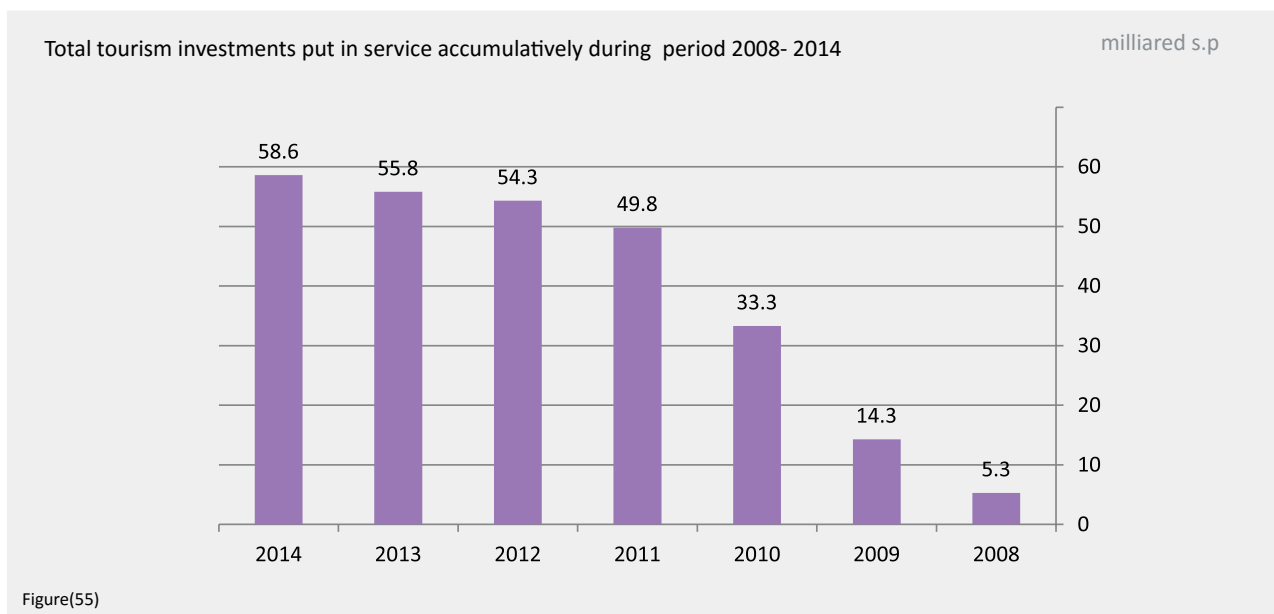


Total number of in service tourism investments developed accumulatively during the period 2008-2014, from 5,3 milliards S.P, in 2008 to 58,6 milliard S.P (All implemented) till the end of 2014 at an average growth rate of 49%

Table(51) Total tourism investments put in service accumulatively during two period 2008- 2014-Milliard S.P

2008	5.3
2009	14.3
2010	33.3
2011	49.8
2012	54.3
2013	55.8
2014	58.6

Source: Ministry of Tourism



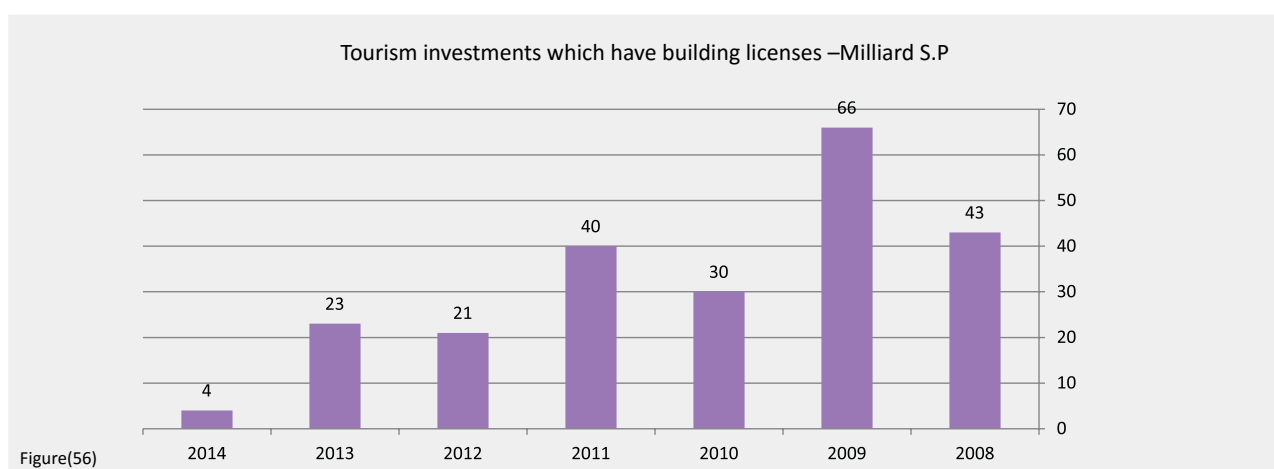
It is noteworthy, that value of in service tourism investments, and implemented during previous years till 2007 reached up to 193 milliard S.P. And by adding tourism investments which came into service during 2008-2014 which reached up to 58,6 milliard S.P. The total of investments in this sector currently becomes 251,6 milliard S.P with reference to that this value includes damaged investments during crisis.

2- Tourism enterprises which have building licenses: The value of the enterprises which have building licenses, their contracts are endorsed, was 227 milliard S.P during the period 2008-2014. (4) milliards S.P for investments in 2014.

Table(52) Tourism investments which have building licenses – milliard S.P

2008	43
2009	66
2010	30
2011	40
2012	21
2013	23
2014	4
Total	227

Source: Ministry of Tourism



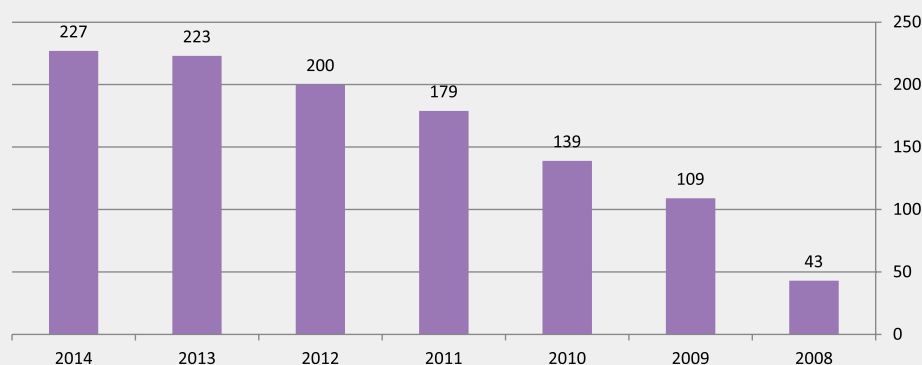
Total value of tourism investment which have building licenses and their contracts are endorsed, developed accumulatively during (2008-2014) from 43 milliard S.P in 2008 to 227 milliard S.P. Implemented till the end of 2014 at an average growth rate 32%.

Table(53) Tourism investments which have building licenses and their contracts are endorsed (Accumulatively) – milliard S.P

2008	43
2009	109
2010	139
2011	179
2012	200
2013	223
2014	227

Source: Ministry of Tourism

Tourism investments which have building licenses and their contracts are endorsed (Accumulatively) (2008- 2014)-Milliard S.P



Figure(57)

1. Contracted projects 2014:

An investment contract of Amrit tourism camp site was concluded of properties parts: 30-48-78-233 Abou Aafsa real-estate region in Tartus, as two stars open beaches,160 beds and 250 chairs, at a total cost of project of 105 million S.P

2. Under- contracting projects 2014 :

They are projects which their sites are identified in favor of investors but finalizing contracting procedures were stopped due to many reasons most important of them were, economic embargo imposed on Syria, or special conditions of each investor and conditions imposed on some investors by government entities such as ministry of finance, we state hereunder distribution of a.m projects according to governorates:

Table(54) Tourism investments which have building licenses and their contracts are endorsed (Accumulatively)

	Governorate	Site	Type of project and classification level	Number of beds	Number of chairs	Investment cost
1	Damascus	Al Aadawi land Eastern park	(Million S.P)	1,000	5,000	3,750
2	Damascus	La Noisette Al Ghassani	Five-stars hotel with its annexes	150	-	18,5
3	Damascus	La Noisette Opaleen Shaghour Jouani	Two-stars Restaurant	250	-	35
4	Aleppo	Passports and Immigration site	Four-stars Restaurant	40	100	170
5	Aleppo	Old Sarai	Five-stars traditional enterprise	408	541	800
6	Aleppo	Al Faisal Parking Land	Five-stars hotel with its annexes	510	1,500	2,905
7	Lattakia	Tourist complex on southern Cornish (Beach)	Four –stars hotel	200	1000	766
8	Homs	South of Homs-Palmyra cross roads	Three-stars hotel	300	2500	1500

Source: Ministry of Tourism



3. The most important resolutions regulating tourism investments issued by the Supreme Tourism Council:

- Resolution Nr.186 of 1985 issued by the Supreme Tourism Council stipulates the following facilitations and exemptions:
 - Exemption from all financial and municipality taxes and duties regardless of their nature, due on establishing and licensing tourism project.
 - Imports of building, tools equipments, installations, cars and furniture, for the purpose of establishing enterprises in required level , are exempted from all taxes , and financial customs and duties whatsoever. But total value of those imports should not exceed 50% of the total of approximate investment cost.
 - It is allowed to import what is necessary for renovation of equipments and furniture to keep on their level of classification. But the total value of those imports should not exceed (3%) of the business number of accomplished works of previous year.
 - It is allowed to finance imports processes of equipments and furniture and materials necessary for investing the enterprise and its operation within limits of 50% of foreign currency changed at commercial Bank of Syria which result out of operation of each enterprise. And the mentioned bank opens a special registry.
 - It is allowed to open an account in currency at the commercial Bank of Syria, so that all money coming from abroad by Arab or foreign investors are registered in the creditor part, which embody its contribution in the capital of the enterprise and all money which are used to finance import materials, installations tools and furniture are registered in the debtor part.
 - Tourism projects which have ratified their contracts by ministry of tourism are released from stamp duty on contract copies.
 - Tourism projects (Lodging enterprises) are exempted from income tax on profits for seven years.
 - As per resolution Nr.272 of 1998 issued by the Super Tourism Council, Syrian Arab and foreign investors are allowed to repatriate the net share value of project by foreign currency on the basic of real value of project after the passage of five years of investing the project.

And it is allowed to repatriate profits and interests achieved by foreign invested money as per provisions of resolution /186/ of 1985.

- According to resolution /321/ of 2010, by the Tourism Supreme Council regarding financing tourism investment projects on (B.O.T) basis, the following is applied:
 - Temporary admission for vehicles and cars till accomplishing the project.
 - Tourism investment projects are exempted from settlement of investment fees for stopped projects and they are exempted at 50% from investment fees for non-stopped ones during current crisis.

Second: Tourism sector actual status:

A. Before crisis:

Tourism before crisis was at the top of the list of economic activity fields and main resources of national income and hard currency, it achieved very positive economic indicators in 2010. It contributed at 14% in the GDP. Surplus achieved by tourism sector in payment balance reached to 134.2 milliard S.P. And its contribution in trade, balance at 34% of commodities exports and 78% of services exports, Syria was at the first rank in the cost of organized crime and violence and at the third rank in the cost of terrorism on business according to international report of competitiveness of tourism and travel for the period 2009-2010.

B. During crisis:

This sector was severely affected due to terrorism and destruction.

Direct financial damages :

- Very low arrivals at -98% during crisis against those in 2010.
- Estimated loss of this sector was 387 milliard S.P during 2011-2014.
- Loss of 4000 job opportunities for graduates of tourism training schools and institutes. 38000 workers have lost their jobs in restaurants and hotels and 114 persons were working in related sectors, in addition to departure of experts of this sector outside Syria.
- 236 projects were stopped due to crisis. At loans volume of 22,5 milliard S.P.
- 320 enterprises were damaged in all governorates

except Al Raqqa and Deir Ezzour till 2014. i.e damage rate become 12% in all tourism enterprises all over the country at a cost of loss of 10,7 milliard S.P

- 587 enterprises became out of service (Except damaged ones) i.e at 21% of the total number of tourism enterprises.
- As for under-construction enterprises in which work is stopped during the crisis they became 544 one ,451 projects are in governorates which undergo hard circumstances ,and 93 projects in Tartus, Lattakia and Al Sweidaa .
- Archeological theft led to great loss.

Financial damages, which affected administrative and educational building and vehicles of ministry, were estimated, at 189,7 million S.P and 5,38 milliard S.P for enterprises which are 100% owned by ministry ,and 1,65 milliard S,P for tourism enterprises in which ministry has

a share. So total of direct damages reached up to 7,2 milliard S.P.

Indirect financial damages (Diminishing utility):

Future damages which were expected to support this sector for the period 2011-2014 without crisis effects, were estimated as follows:

- 30000 job opportunities in hotels and restaurants, and 90000 one in related sectors (Agriculture, industry, transport.....)
- 78,15 milliard S.P volume of investments which were expected to come into service.
- It was expected to notice an increase in number of hotels beds from 59000 bed in 2011 up to 77000 one in 2014. And feeding chairs from 393000 chairs in 2011 up to 473000 one in 2014.
- It was expected that volume of contribution of tourism sector in GDP shall increase from 400 milliard S.P in 2010, up to 570 milliard S.P in 2014 at 42%.

Education sector:

Legislative decree Nr.55 of 2004 and its amendments, permitted granting final approvals to license private educational institutions (1740 approvals were granted till the beginning of 2015) And providing new job opportunities administrative and educational staffs. In addition to receiving more numbers of students into private institutions to alleviate pressure of public education and to grant choices for parents. The following table shows number of enterprises licenses in governorates and their activities and number of workers.

Table(55) number of licenses during 2004-2015

Governorate	Kinder garden	Basic education		Secondary	More than one stage	Linguistic laboratories	Total
		Level2	Level1				
Damascus	19	1	-	7	6	40	73
Al Quneitra	22	1	1	2	2	14	42
Damascus countryside	104	35	9	16	37	97	298
Daraa	67	5	-	4	9	35	120
Al Sweidaa	47	-	-	-	1	21	69
Homs	120	13	3	9	9	42	196
Hama	78	6	-	-	4	42	130
Tartus	181	4	-	2	3	46	236
Lattakia	145	4	1	3	4	22	179
Idleb	42	5	1	8	1	72	129
Aleppo	26	23	2	5	19	62	137
Al Raqqa	6	1	-	-	1	31	39
Al Hassakeh	10	1	2	5	3	36	57
Deir Ezzour	10	1	-	1	1	22	35
Total	877	100	19	62	100	582	1740

Source: Ministry of Education



Number of private schools during 2008-2014 was (11334), with (102147) workers in private enterprises distributed as stated in the following table:

Table(56) Number of schools and number of workers in private enterprises distributed as per years:

Years	Number of private schools	Number of workers
2007- 2008	1479	12838
2008- 2009	1573	13934
2009- 2010	1666	14443
2010- 2011	1890	17154
2011- 2012	1999	17791
2012- 2013	1345	14573
2013- 2014	1382	11414
Total	11334	102147

Source: Ministry of Education

Insurance sector:

• Insurance companies in Syria:

Twelve (12) private insurance companies were licensed up till 2012 as per provisions of decree Nr.43 of 2005, with a total capital of about 12,583 milliard S.P, and (7) medical services companies with a total capital of about 350 million S.P. Most investments of insurance companies in the current time are composed of deposits of companies in Syrian banks, and monetary bulk within it insurance companies are allowed to invest as per resolution 100/372 of 2011, and till 30/6/2014, amounted (22,095,590, 211) S.P. The following tables show names of insurance companies and medical services companies and their capitals:

Table(57) Insurance companies in Syria as per provisions of decree /34/ of 2005 (million S.P)

Company	Capital	Date of license
United for Insurance	850	06/02/06
Syrian International(Aroob)	1000	06/02/06
National Insurance	850	06/02/06
Syrian – Kuwaiti Insurance company	850	06/02/06
Syrian Trust (Trust Insurance)	850	04/04/09
Arab Orient Insurance company	850	05/04/06
Cooperative Federation for Insurance-Solidarity	1000	25/06/06
Al Aqeela Takaful Insurance company	2000	28/12/06
Islamic Syrian Insurance	1000	27/12/07
Adeer Insurance	1250	21/07/07
Syrian Arab Insurance	1000	05/04/06
Arab Insurance company	1083	12/06/06

Source: Syrian Insurance Supervisory Commission



Table(58) Medical services companies and their capitals

Company	Legal form	Capital(million S.P)
Medexa Co.	Limited liability	50
IMPA Co.	Shareholding Limited	50
Distinguished Services Co.	Limited liability	50
Globe Med Co.	Shareholding Limited	50
MEDSYR Co.	Limited liability	50
Care card Co.	Limited liability	50
Medical care Co.	----	50
Total		350

Source: Syrian Insurance Supervisory Commission

• Insurance documents marketed by Syrian companies:

- 1- Cars insurance.
- 2- Transport insurance, including goods transportation and ships bodies (hulls).
- 3- All types of engineering insurance.
- 4- Health insurance.
- 5- Fire and allied perils insurance.
- 6- Responsibility insurance including civil and professional responsibilities
- 7- General accidents (theft, trust cheating etc...)
- 8- Personal accidents insurance.
- 9- All types of life insurance.

Real-Estate sector:

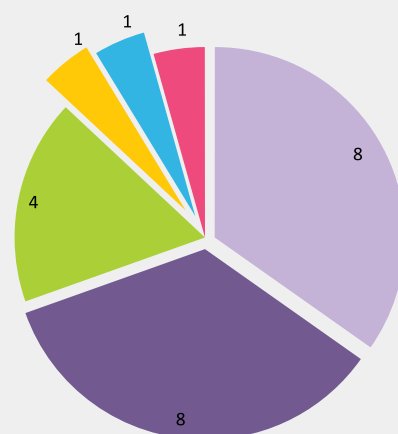
Taking into account that the government is the big owner of lands, the main purpose of real-estate development was providing social residence to limited income individuals, which demands partnership between private and public sector. Therefore, law Nr.15 of 2008 was issued to organize this sector .The total number of real-estate development areas established as per resolutions issued by the prime ministry, is /23/ areas. Details are well explained in the following table:

Table(59) Real-estate areas established as per real-estate development law distributed according to governorates

Governorate	Region	Number of establishing resolution	Date of establishing resolution	Area Hectares	Number of habitants (person)	Approximate cost (million S.P)
Damascus countryside	Aadra Residential area	5041	21/10/2010	1833	293000	201000
Damascus countryside	Al Makrosah Residential area	8954	26/06/2011	162	46000	4860
Damascus countryside	Al Makrosah Industrial area	8953	26/06/2011	55		1650
Damascus countryside	Aadra crafts area	5042	21/10/2010	292		10000
Damascus countryside	Aadra trade area	5043	21/10/2010	230		60000
Damascus countryside	Mnen 626-646	5860	29/04/2012	79.9	19975	9189
Damascus countryside	Souk wadi Barada	1577	29/05/2014	36.8	12880	16300
Damascus countryside	Damascus tillal-Dimas	5656	24/04/2012	284	71000	150000
Homs	Hyssieh industrial and Residential area	4239	05/09/2010	68.3	23905	10720
Homs	Amessa hills, Un Al ltham	10473	29/07/2012	94.6	26500	4800
Homs	Amessa city, Shamseen	10471	29/07/2012	95.6	25330	4400
Homs	Zeeti Al Bahra	299	06/02/2013	26	7670	1500
Hama	Wadi Al Jooz	2318	25/08/2014	30	12000	20430
Aleppo	Daret Ezzeh	5045	21/10/2010	23	7500	3113
Aleppo	Daret Ezzeh	5044	21/10/2010	29.2	4300	4538
Aleppo	Anadan	5047	21/10/2010	26.8	8000	3600
Aleppo	Yaked Al Aadas	5049	21/10/2010	23.3	4270	3700
Aleppo	Anjara	5046	21/10/2010	79	20000	10700
Aleppo	Al Hydareh	5050	21/10/2010	118	45000	10200
Aleppo	Kafr Daeel	19471	31/12/2012	35.1	9800	9000
Aleppo	Tal Al Zarazeer	5048	21/10/2010	98.5	57414	9077
Deir Ezzour	Hawei Al Baghlieh	5051	21/10/2010	500	120000	60000
Al Sweidaa	Al Hisbeh	388	15/01/2012	0.7		6000
Total				4220.8	814044	614780

Source: Commission of Real-Estate Development.

Distribution of establishing real-estate regions



Figure(58)

Damascus countryside Aleppo Homs Deir Ezzour Al Sweida Hama

Total area of real-estate development established areas was 4220 hectares, approximate number of houses were 163740 one for 805732 capita at a total cost of 614,78 milliard S.P . All detailed in the following table:

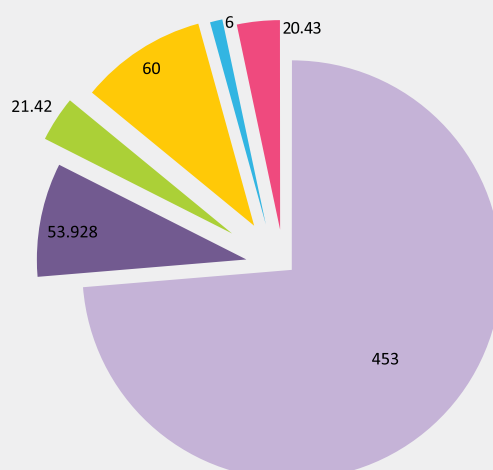
Table(60) Distribution of real-estate areas in governorates with aproximate costs and spaces.

Governorate	Number of regions	Area	Number of houses Social-Villas))	Number of habitants (person)	Approximate cost (Milliard S.P)
Damascus countryside	8	2972.7	89971	442855	453
Aleppo	8	432.9	31402	156984	53.928
Homs	4	284.5	15967	73893	21.42
Deir Ezzour	1	500	24000	120000	60
Al Sweida	1	0.7	0	0	6
Hama	1	30	2400	12000	20.43
Total	23	4220.8	163740	805732	614.78

Source: Commission of Real-Estate Development.

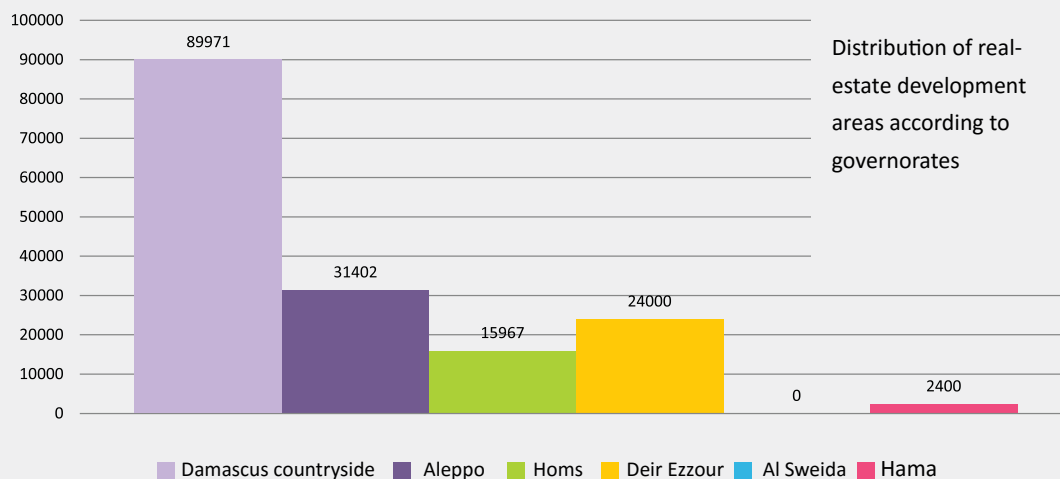
The following table shows distribution of real-estate areas in six governorates only, their majority in Damascus countryside and Aleppo in compliance with intensive population in them. Eight areas in Aleppo at an investment cost of 53,928 milliard S.P. Providing 31402 houses while costs in Damascus reached up to 453 milliard S.P at the rate of 73% of total costs providing 89971 houses.

Investment costs for real-estate development areas per resolutions according to governorates(Milliard S.P)



Figure(59)

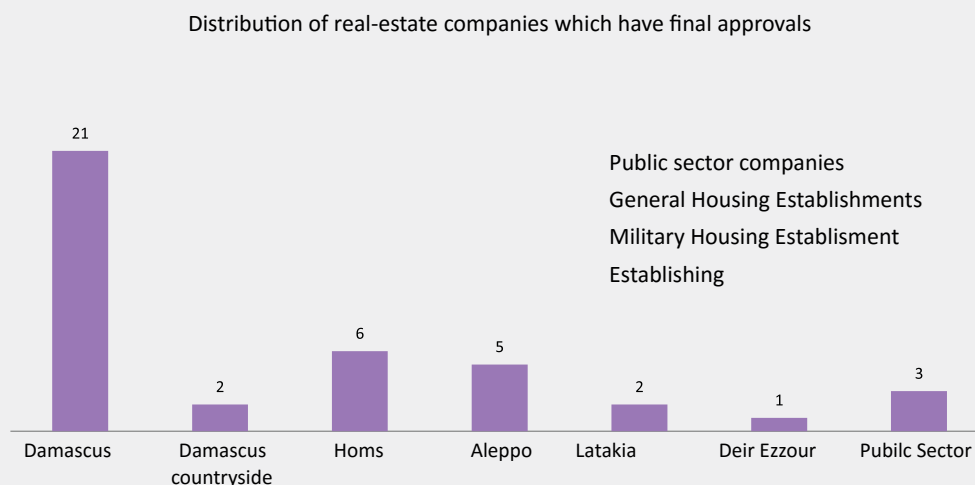
Damascus countryside Aleppo Homs Deir Ezzour Al Sweida Hama



Figure(60)

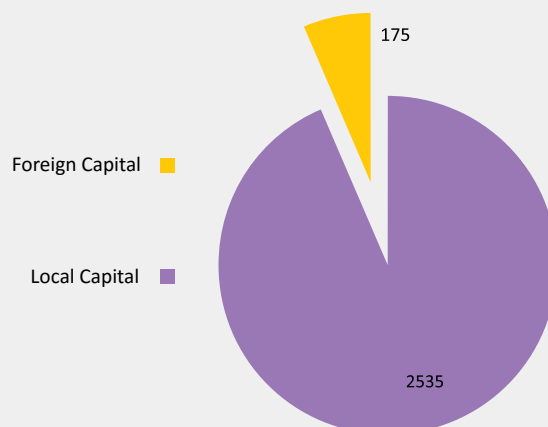
Real-estate development companies which had final license till 2014:

Total number of those companies reached up to (40) companies at a total cost of (2710) million S.P. (175) million S.P foreign investment at the rate of (6,45%).



Figure(61)

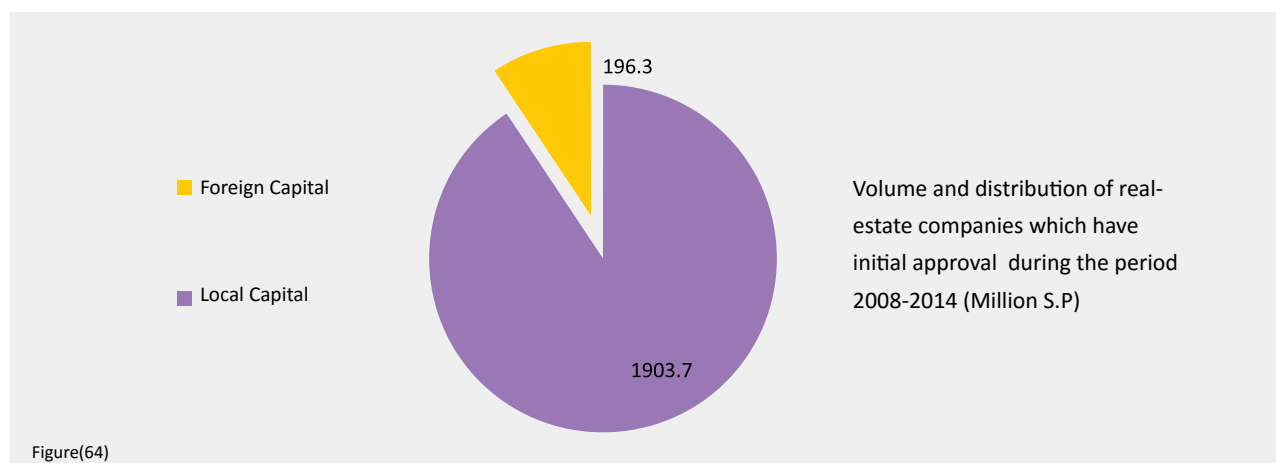
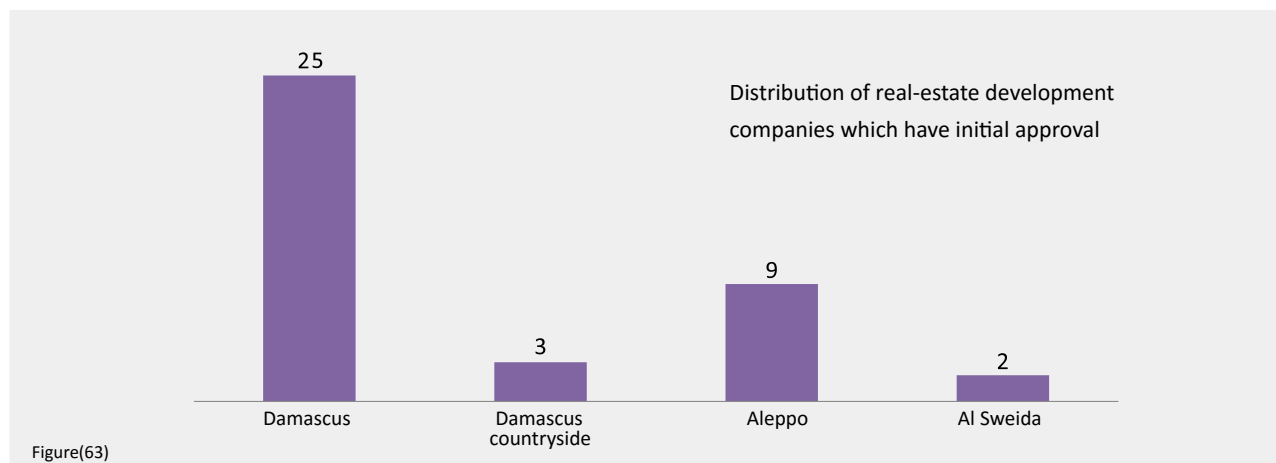
Volume and distribution of real-estate companies which have final approval (Million S.P)



Figure(62)

Real-estate development companies which have initial approvals till the end of 2014:

Thirty-nine (39) companies have initial approvals at a total cost of 2100 million S.P, 196,3 out of them are foreign investment at the rate of (9,35%).



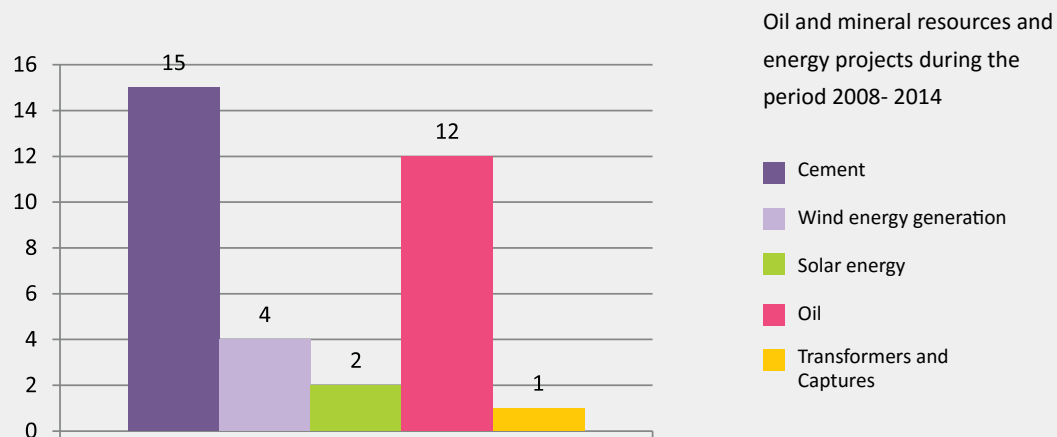
Oil and mineral resources sector:

Oil and Mineral resources and energy projects licensed as per provisions of investments laws, were 34 projects during the period 2008-2014 at an approximate investment cost of 1685974 million S.P, and (12737) workers. Cement projects were 15 one, then (12) one for oil as clarified in the following table:

Table(61) Oil and mineral resources and energy projects during the period 2008- 2014 (million S.P)

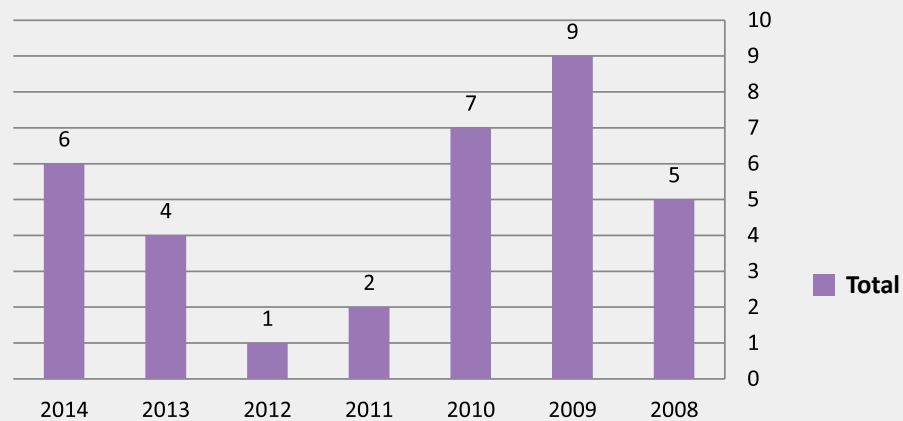
Year	Cement	Wind energy generation	Solar energy	Oil	Captures transformers	Total
2008	2	0	1	1	1	5
2009	4	3	0	2	0	9
2010	4	0	1	2	0	7
2011	2	0	0	0	0	2
2012	0	0	0	1	0	1
2013	1	1	0	2	0	4
2014	2	0	0	4	0	6
Total	15	4	2	12	1	34

Source: SIA



Figure(65)

Oil and mineral resources and energy projects during the period 2008- 2014



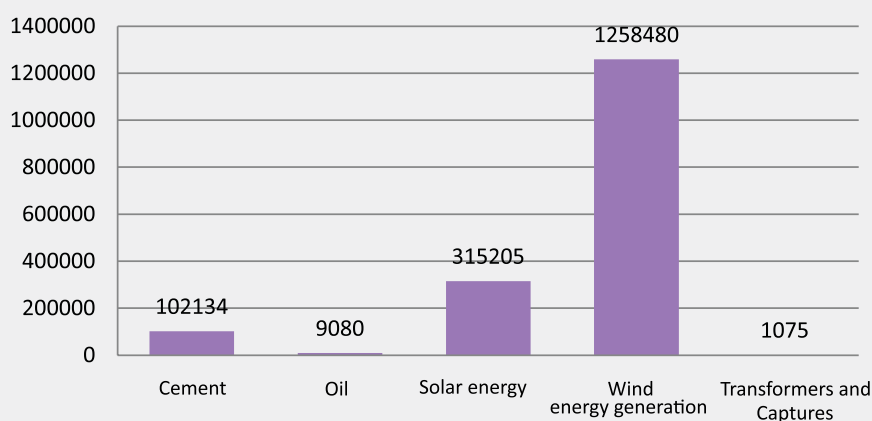
Figure(66)

Table(62) Investment costs and number of workers for oil and energy projects (million S.P)

Sectors	Number of projects	Investment costs	Number of workers
cement	15	102134	5475
Oil	12	9080	3312
Solar energy	2	315205	2150
Wind energy generation	4	1258480	1700
Transformers and captures	1	1075	100
Total	34	1685974	12737

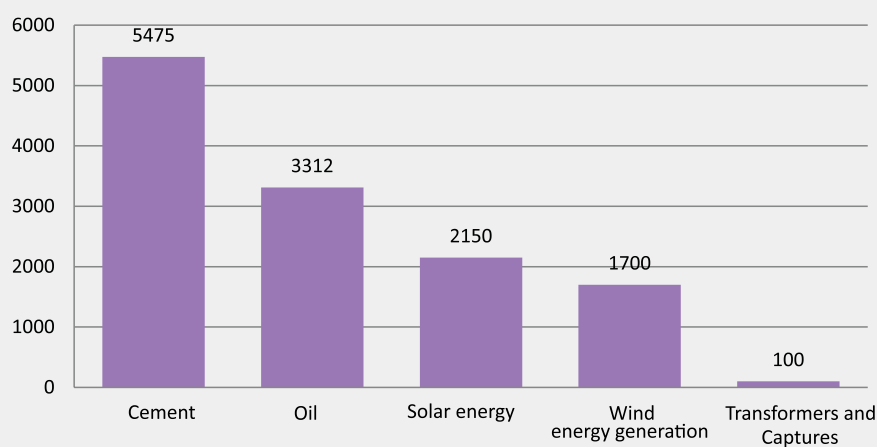
Source: SIA

Investment costs of oil and energy projects (million S.P)



Figure(67)

Number of workers of oil and energy projects



Figure(68)

With reference to the executions status of some investment projects in oil and mineral resources, and according to data of ministry of oil and mineral resource, we find that :

- Al Frukulus refinery joint venture: It is under- implementation on two stages with APS Italian company .
- The project of rock salt extraction in Al Harmoshieh site west of Deir Ezzour with SEB-KER Hungarian company.
- Oil derivatives extraction out of ores of Asphalt in Deir Ezzour, implementation contracts with competent companies were signed but it were stopped due to current conditions.
- A project for rehabilitation and development of plaster (gypsum) in Lattakia: A contract was concluded with knauf (German company) and also it is stopped due to economic sanctions the project is stopped due to current crisis.

High Education sector:

- Legislative decree Nr.36 of 2001 related to licensing private universities gave a chance to the private sector to have a role in the high education sector in Syria, and as per which twenty /20/ universities were licensed. The following table (63) shows their establishing date volume of their capital and the percentage of Syrian and foreign contribution.

Table(63) Private universities in Syria (million S.P)

University	Establishing date	Syrian contribution date	Foreign contribution date	Volume of capital
Al Rasheed	2007/6/17	83.2	16.8	630
Al Sham	2011/7/28	-	-	-
Arab International	2005/5/6	93.28	6.72	906
Syrian private University	2005/8/7	99.87	0.13	-
Al Yarmook	2007/6/17	90	10	986
Arab private university for science and Technology	2007/5/13	54.75	45.25	800
Ibla private university	2007/6/17	99.02	0.98	500
AlShahba private university	2005/5/6	30	70	240
Al Watanya University for science and Technology	2007/6/17	100	-	300
Al Kalammn private University	2003/8/18	-	-	600
Al Wadi private University	2005/5/19	97.566	2.434	5580
Al Hwash private University	2007/6/17	100	-	100
Arab Academy for science and technology and sea transport	1976/1/5	-	-	-
International private University for science and technology	2005/5/6	34	66	450
Qasyoon University	2007/6/17	32.343	67.657	800
Cordoba University (Previously Al Mamoon)	2003/8/18	100	-	600
Al Andalus private University for science	2005/5/6	-	-	1000
Al Sham High Institute	2011/4/4	-	-	-
Al Jazeera private University	2007/3/22	74.67	25.33	262.5
Al Itihad private University	2003/8/31	64	36	70

Source: High Education Ministry

Foreign Direct Investment FDI:

• FDI projects licensed during the period 1991-2014:

(150) FDI projects were permitted during the period 2007-2014 at an approximate total cost of 1597111,8 million S.P . During the period 1991-2006, (122) projects were permitted at a cost of 232971,4 million S.P . Thus , the total number of FDI projects licensed as per provisions of law 10 of 1991 and investment decree/8/ of 2007 becomes (272) projects as clarified in the following table:

Table(64) FDI projects licensed as per provisions of law /10/ during the period 1991- 2006 (million S.P)

Nationality	Number of projects	Value of machines and equipments	Investment costs	Number of workers
Jordan	8	546	1452.7	301
Algeria	1	29	55	6
Palestine	2	239.8	541	312
Lebanon	9	557	1812	532
Yemen	1	14.9	37.5	35
Egypt	4	413	912	401
Bahrain	1	71	120	56
Libya	1	15	56.6	22
Iraq	4	6699.5	10504	557
Saudi Arabia	15	39418	64302.7	3013
Kuwait	13	5371	9363.9	1129
Cyprus	3	386	650.9	231
Qatar	1	263.5	330	54
UAE	3	1006.8	31155	7077
France	3	1797.6	9374	536
Germany	9	19766.7	27390.8	1108
Spain	1	25	105.6	52
Britain	2	3678	14932.9	2340
Russia	3	1270	1443.6	267
Turkey	14	15958	20471	2729
Iran	8	5706	25123.5	1394
Pakistan	1	12	156	294
China	2	357.5	1604	401
Canada	1	30	94	32
Switzerland	4	757	6306	380
Holland	1	46	68	101
Korea	2	295	1384.8	125
Austria	1	222.6	649	73
Belgium	1	19.5	23.8	23
Uzbekistan	1	34	60.7	21
Sweden	1	33.7	49	25
India	1	2048.5	2437.9	170
Total	122	107091.9	232971.4	23797

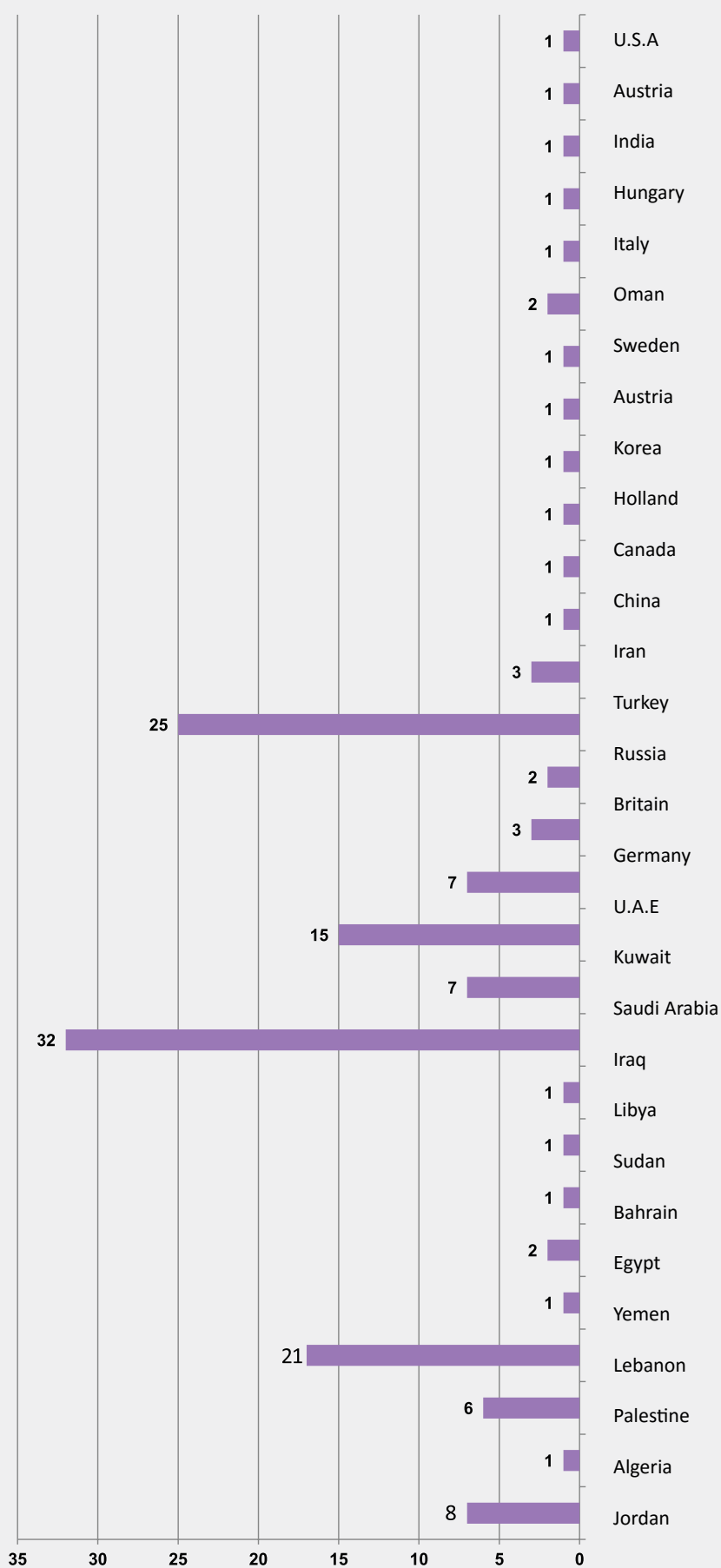
Source: SIA

Table (65) FDI projects licensed as per decree /8/ of 2007 during the period 2007- 2014 (million S.P)

Nationality	Number of projects	Value of machines and equipments	Investment costs	Number of workers
Jordan	8	980	1318	653
Algeria	1	50	55	30
Palestine	6	17855	19884	974
Lebanon	21	3871	5003	2499
Yemen	1	34	37.4	100
Egypt	2	5269	5833.8	190
Bahrain	1	10	11	12
Sudan	1	0	0	21
Libya	1	40.9	45	15
Iraq	32	4185.6	6230	1629
Saudi Arabia	7	2694	3748.5	1148
Kuwait	15	3561	7073	3332
U.A.E	7	1559.9	2749	361
Germany	3	315180	315303	2117
Britain	2	245	269.5	540
Russia	1	1100000	1210000	1100
Turkey	25	12897.8	16787	3178
Iran	3	389	428	236
China	1	25.9	28	12
Canada	1	188.7	318.7	300
Holland	1	30	33	20
Korea	1	129.6	241.9	100
Austria	1	96	116	36
Sweden	1	50	55	50
Oman	2	150	165	130
Italy	1	58	64	15
Hungary	1	840	924	222
India	1	0	0	100
Austria	1	0	0	31
U.S.A	1	78.5	391	305
Total	150	1470468.9	1597111.8	19456

Source: SIA

FDI projects licensed as per provisions of decree /8/ of 2007 during the period 2007- 2014 (million S.P)



Figure(69)

Table(66) Cancelled FDI projects

Nationality	Number of projects
Jordan	2
Sudan	1
Germany	2
Yemen	1
U.K	1
Turkey	3
Saudi Arabia	2
Iraq	4
Qatar	1
Kuwait	1
Lebanon	5
India	1
Total	24

Source: SIA

Joint FDI projects during the period (1991-2014):

During this period 34 projects were licensed at an approximate cost of (89668,1)million S.P. (37809,9) million S.P are related to the (29) projects licensed as per investment decree /8/ of 2007 during the period 2007-2014.

Table(67) Joint foreign projects during the period 1991-2014

	1991 - 2006				2007 -2014			
Nationality	Number of projects	Value of machines and equipments	Investment costs (million S.P)	Number of workers	Number of projects	Value of machines and equipments	Investment costs (million S.P)	Number of workers
Kuwait - Sudan - Egypt	1	404	16885	200	-	-	-	-
Saudi Arabia - Korea	1	85	240.7	60	-	-	-	-
Cyprus - Egypt	1	18410	33703	525	-	-	-	-
Austria- Kuwait- Lebanon	1	480.7	979.6	323	-	-	-	-
Egypt -Syria	1	37.5	50	70	1	500	550	70
Palestine - Qatar	-	-	-	--	3	118	143.5	110
Syria - Palestine - Kuwait	-	-	-	-	1	1506	2394	126
Syria - Palestine	-	-	-	-	5	23115	25426	4592
Kuwait - Lebanon	-	-	-	-	3	130	143	90
Saudi Arabia - Lebanon	-	-	-	-	2	1474	1795	599
Lebanon - Syria India	-	-	-	-	1	65	71.5	32
Syria - Lebanon	-	-	-	-	2	560	616	227
Jordan - Saudi Arabia	-	-	-	-	1	250	275	68
Saudi Arabia - Syria	-	-	-	-	1	95	167	83
Saudi Arabia -Iraq	-	-	-	-	1	332	374	130
Kuwait - Syria	-	-	-	-	2	74.6	142	62
Iran - Syria	-	-	-	-	2	100	110	70
Venezuela- Malaysia Syria -Iran	-	-	-	-	1	56.6	130	1000
Venezuela - Syria	-	-	-	-	1	418	459.8	91
Syria- Ukraine	-	-	-	-	1	189	1075	100
Syria - Turkey	-	-	-	-	1	3577.8	3935.5	279
Total	5	19417	51858	1178	29	32561	37807.3	7729

Source: SIA

- Joint cancelled FDI projects during the period(1991-2014) :

Nationality	Number of project
Syria - Lebanon	1

Source: SIA



Suggestion to develop investment climate in Syria :

1- Positive integration among state-run institutions and private sector :

Developing private sector requires wide reformation process including coordination among multiple public entities and direct partnership with private sector which creates resistant economy in order to face economic and social crisis by entering real partnership between private and public sector and implementation of investment projects also to support national economy and sustainable process

Advantages of public-private partnership:

- Providing high quality services in low costs.
- Alleviation of pressure on public budget, achieving required quality in suitable prices, best distribution of risks and transforming part of them to private sectors and increase of capacity of actual evaluation of costs and controlling them.
- Transfer of experts and technology and improving quality services in consequence.
- Finding a new role of political power to keep the role of controlling and supervising and to leave operation and administration to private sector.

To facilitate and to sustain local or foreign investments, the following should be followed:

- ▶ To find the legal and legislative framework which indicates parties of partnership.
- ▶ To profit from partnership in raising the level of local sector both public and private, and granting expertise to local workforce to streamline projects management.
- ▶ To avoid depletion of local money liquidity by financing.
- ▶ Partnership should be controlled as from beginning of contracting period till operation of projects.

2- Developing performance of public sector :

Public sector has a pilot role in economic and social development process, so in order to guarantee its best performance the steps hereunder should be followed:

- To develop capacities of administrations.
- Adoption of decentralization in decision making and enabling intermediate administrations.
- Supporting governance.

- Encouraging innovation and linking employment with expertise.
- Developing principles of selection of higher administrative staffs and combating corruption.
- Providing consultancy and financial professions and services in accordance with government policies.

3- Simplification of procedures and electronic government:

To achieve the above objective it is essential to:

- Find a unified supreme investment council.
- To set an organizational structure which support competitiveness and which decreases bureaucracy and cost.
- Adoption of policies which encourage certain investment and to direct them towards certain priorities.

4- Laws and legislations:

Laws are very effective factors on investment climate, so they should be clear and flexible so it is necessary to:

- Finalize the investment law projects adopted by government, to guarantee incentives and privileges taking into account reconstruction period.
- Establishing special courts for settlement of disputes.
- To find the best way to make use of state –owned properties and to separate agricultural lands to have areas which can be used for agricultural – industrial projects as per national framework of regional planning and to apply the law of local administration.

5- Promotion and international cooperation:

The government pays great attention to international cooperation in the field of investment, by concluding cooperation agreements, memorandums of understanding and technical, scientific and economic cooperation agreements to support investments. In addition to giving promotion all sorts of support.

6- Monetary policy:

Syrian government's orientation towards highlighting the importance of monetary policy's role in achieving stability of prices and avoiding inflation can be summarized in the following:

First: The role and mission of the Syrian Central Bank in achieving the objectives mentioned above .

Second: Policies stated in government's statement in the eleventh five-years plan which is divided into three stages:

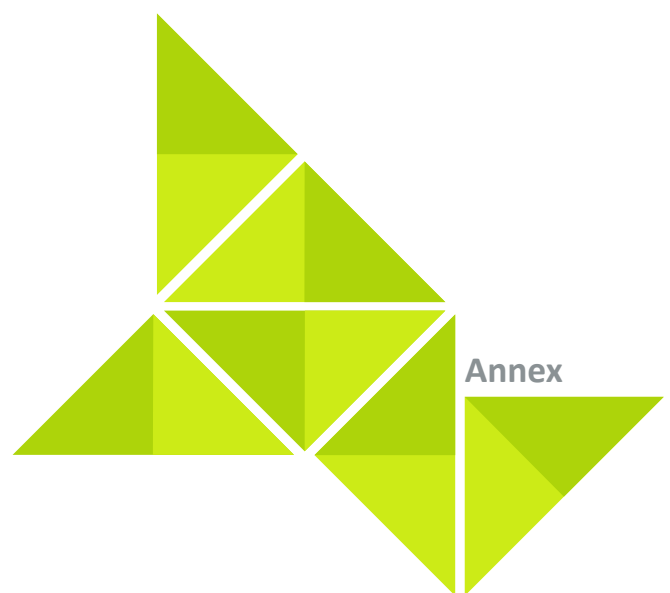
- **From 2011 till 2013:** keeping on following a monetary policy based on exchange prices as nominal clear fixing agent in addition to other indirect tools.
- **From 2014 till 2015:** Embodied by moving to a monetary policy which depends upon short –term profit prices as a tool to administrate monetary offer (which could be continuous on long term) with keeping exchange price as a nominal fixing agent.
- **Third stage till the end of 2015:** The central bank shall be able in the light of market's data, to indicate digital objectives of inflation and to state the nominal basis to its administration according to exchange price, monetary offer and inflation expectations, all depending on the capacity of the bank, to apply policies mentioned in the two previous stages.

Efforts by Syrian Investment Agency in enhancing investment climate:

- Enriching investment map by indentifying ultimate and relative privileges of each governorate.
- Preparation of the geographic atlas of investment opportunities.
- Establishing an investment information bank.
- Concentration on following up licensed investment projects to remove obstacles which they may face.
- Granting additional privileges to projects which use alternative energy.
- Encouraging local and foreign investments throughout updating the comprehensive data base about FDI.
- Indication of high priority investment opportunities for each governorate.
- Opening branches of SIA in all governorates.
- Continuation of network linkage project, among SIA, its branches and other related entities.
- Activation of interior and external promotion through:
 - Cooperation with businessmen councils and federations of Syrian chambers of agriculture's industry and commerce.
 - Participation in organizing international regional and conferences to propose investment opportunities.
 - Performing external promotional missions in many countries (China-Russia-Iran-India).
 - Setting promotional studies and researches.
 - Cooperation with the ministry of foreign affairs and expatriates to activate outside promotion for investment in Syria.

Recommendations

- ▶ Priority is for local investors (Partners) in addition to encouraging foreign and expatriate capitals.
- ▶ High priority should be considered regarding investments industry, agriculture and infrastructure sectors.
- ▶ SMEs should be supported, especially for reconstruction phase.
- ▶ Usage of modern techniques in building information bases.
- ▶ Activation of development banks role (Industrial and agricultural banks) in granting investors loans with easy terms.
- ▶ Coordination with all investment –related entities.
- ▶ Decrease of development discrepancies among regions and governorates in the field of infrastructure and distribution of economic projects.
- ▶ Concentration of investment in cluster industrial sector to apply the principle of (substitution instead of imports) according to needs of coming stage.
- ▶ Enforcing administrative reformation processes.
- ▶ Finding trained and best qualified staff.
- ▶ Identifying priorities among projects nominated for private – public partnership.
- ▶ Finding experienced economic work teams to achieve successful contracting between the two sectors.
- ▶ Finding facilitations and adequate political and legislative environment which enables technology transfer and scientific research and legalization of establishing startup companies and technology incubators which are considered as an intermediate method or mean between production on laboratories production level and commercial one.
- ▶ Encouraging partnership between companies and research commissions.
- ▶ Encouraging private and public companies by customs and tax incentives.
- ▶ Participation in organizing regional and international conferences.
- ▶ Supporting investors to re-operate their projects stopped or damaged due to crisis.
- ▶ Following-up actual status of projects and granting aid to remove obstacles which hinder their implementation.
- ▶ Issuance of an investment card as per which the investor is granted investor incentives and special facilitations within state-owned entities.



Annex (1) : Agreements

State	Date of approval	Ratification deed and its date	Current status	Remarks
Iran	5/2/1998	Decree Nr.3 of 1998	Valid from 16/11/2005	
Bella Russia	11/3/1998	Decree Nr.8 of 1998	Valid from 1998	
Bulgaria	21/5/2000	Decree Nr.10 of 2001	Valid from 10/11/2001	Long term trade agreement
Ukraine	21/4/2002	Decree Nr.56 of 2003	Valid from 16/3/2003	
Russia	27/1/2005	Law Nr.21 of 2005	Valid from 13/7/2007	
Democratic Korea	14/5/2006	Law Nr.51 of 2006	20/12/2006	
Malaysia	7/1/2009	Law Nr.27 of 2009	Valid from 20/6/2009	Encouraging investment
Turkmenistan	26/3/1992	Decree Nr.10 of 2001		Activation and enforcing of trade relations
Kazakhstan				Activation and enforcing of trade relations

Agreements on mutual encouraging and protection of investment

Country	Date of signature	Ratification deed and its date	Latest status	Remarks
South Africa	2011	Decree 88 of 2011	Came into force	
Bulgaria	21/5/2000			Encouraging and protection of investment

Country	Date of signature	Ratification deed and its date	Latest status	Remarks
India	20/4/1978	Decree Nr.1570 of 1987	Valid from 5/3/1979	Its replaced the commercial agreement signed on 9/10/1969
Democrat Republic of Korea	28/6/1982	Law Nr.5 of 1983	Valid	It stipulates consular exemption
Azerbaijan	28/3/1992	Decree Nr.10 of 1992	Valid	Activation and enforcing of trade relations
Vietnam	12/5/1994		Valid	
Cuba	28/10/1998	Decree Nr.142 of 2000	Valid	
Tajikistan	28/3/1992	Decree Nr.10 of 1992	Valid	Activation and enforcing of trade relations
Malaysia	18/8/2003	Decree Nr.49 of 2004	Valid from 15/8/2004	

Other agreements:

Country	Date of signature	Ratification deed and its date	Latest status	Remarks
Iran	2/10/2010	8/3/2011	Signed during the visit of the president of the republic to Iran it needs to be ratified	Free trade agreement valid as from 21/3/2011
South Africa	21/10/2010	Ratified on 17/7/2011	Valid	Economic trade agreement


Agreements of economic, technical and trade cooperation:

Country	Date of signature	Ratification deed and its date	Latest status	Remarks
Russia	15/4/1993	Law 11 of 1993	Valid as from 13/7/1993	-
Armenia	30/4/1995	Decree 177 of 2002	Valid	-
China	11/1/2001	Decree 40 of 2001	Valid as from 18/10/2001	-
Ukraine	21/4/2002	Decree 8 of 2003	Valid as from 16/3/2003	-
Venezuela	30/8/2006			Economic, technical and trade cooperation
Democrat Republic of Korea	18/12/1992			Forming an economic committee

Agreements Signed With Arab states

Country	Agreement	Signature date	Ratification Date	Conclusion Date	Remarks
Kuwait	An agreement to encourage investments	16/8/2001	Ratified as per law 12 of 2002	As from 23.3.2004	The agreement to encourage and to protect investment has been amended on the margin of the meeting of the joint technical committee convened on May 2010 and the agreement was ratified as per decree 13 of 2011 in preparation to become into force
Bahrain	An agreement to encourage and to protect investments	20/9/2000	Ratified as per decree 4 of 1/4/2001	Valid as from 18/12/2001	
UAE	An agreement to encourage and to protect investments	20/9/2000	Law 14 of 1998	Valid as from 10/1/2001	-
Qatar	An agreement to encourage and to protect investments	23-24/10/2003	Ratified by law 7 of 2004	Valid as from 27/4/2006	-
Oman	An agreement to encourage and to protect investments	14/9/2005	Law 23 of 2006	Valid as from 1/6/2006	-
Jordan	An agreement to encourage and to protect investments	8/10/2001	Ratified by decree 12 of 2002	Valid as from 11/5/2005	-
Yemen	An agreement to encourage and to protect investments	9/10/1996	Law 18 Of 1998	Valid as from 22/7/2005	-
Lebanon	An agreement to encourage and to protect investments	12/1/1997	Law 15 of 1998	Valid as from 15/9/1999	-
Iraq	An agreement to encourage and to protect investments	29/8/2002	Under ratification	-	-
Egypt	An agreement to encourage and to protect investments	28/5/1997	Law 16 of 1998	5/10/1998	-
Tunisia	An agreement to encourage and to protect investments	23/1/2001	Law 11 of 2002	12/3/2003	-
Morocco	An agreement to encourage and to protect investments	14/9/1997	Legislative Nr.23 of 2000	Valid from 18/6/2002	The agreement has been amended during the meetings of the Joint Supreme Committee convened in April 2010 and it was ratified to prepare to become into force

Agreements signed with BRICS countries In the field of encouraging and mutual protection of investment:

State	Date of signature	Ratification deed and date	Current status	Remarks
Russia	27/1/2005	Law Nr.21 of 16/6/2005	Valid as from 13/7/2007	
China	9/12/1996	Law Nr.114/8/1998	Valid as from 1/10/1999	Trade and economic agreement

Economic and trade a cooperation agreements signed with BRICS countries:

State	Date of signature	Ratification deed and date	Current status	Remarks
India	20/4/1978	Decree Nr.1570 of 4/12/1978	Valid as from 5/3/1979 And it replaced by the trade agreement signed on 09/10/1969	Trade and economic agreement
South Africa	21/10/2010	Ratified on 17/7/2011	Valid	Trade and economic agreement

Directory of the most important Syrian election>s sites

Syrian Investment Agency /SIA/	www.sia.gov.sy
Ministry of Irrigation	www.irrigation-sy.com
Ministry of Industry	www.syrianindustry.org
Ministry of Agriculture	www.moaar.gov.sy
Ministry of Interior	www.syriamoi.gov.sy
Ministry of Tourism	www.syriatourism.org
Ministry of Culture	www.moc.gov.sy
Ministry of Education	www.syrianeducation.org.sy
Ministry of Oil & Mineral Resources	www.mopmr-sy.org
Ministry of Transport	www.mot.gov.sy
Ministry of Information	www.moi.syria.com
Ministry of Communications & Tech.,	www.moct.gov.sy
Ministry of Health	www.moh.gov.sy
Ministry of Finance	www.mof.gov.sy
Syrian Chambers of Commerce Federation	www.fedcommsyr.sy
Damascus Chamber of Commerce	www.dcc-sy.com
Damascus Chamber of Industry	www.dci-syria.org
Aleppo Chamber of Commerce	www.aleppochamber.com
Lattakia Chamber of Commerce	www.chamberlattakia.com
Aleppo Chamber of Industry	www.aci.org.sy
Homs Chamber of Commerce & Industry	www.hci-homs.org
Daraa Chamber of Commerce & Industry	www.daraacci.org
Central Bank	www.banquecentrale.gov.sy
Real Estate Bank	www.reb.sy
Commercial Bank	www.cbs-bank.com
Syrian Petroleum Company (SPC)	www.spc-sy.com
General Housing Establishment	www.escan.gov.sy
Tartus port company	www.tartousport.gov.sy

Designed By:



Your Ad Agency

integrated marketing communication help your Brand GO



YelloHits@gmail.com

Damascus, Syria, Mazraa

T. +963 333 0138

M. +963 933 216 950

London, England

T. +44 7472155352

