



e-Newsletter

HONORARY CONSULATE GENERAL OF SYRIA
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Syria, and the world financial crisis: Economic reform is the victim.



One of the main characteristic of the unprecedented financial crisis that we have been witnessing in the last days is its wide impact that has been felt almost everywhere in the world. How about Syria? Is it really shielded from this turmoil, as many believe?

Syria, since year 2000 has embarked on a path of economic modernization and liberation: Private universities, and private banks are seen in all Syrian cities. And many steps to encourage private and foreign investment have taken place. However this process was not going without resistance, many socialist politicians who were used to government planning and protection were not happy. On the other hand many have criticized the government for not moving fast enough with economic reform. Now with the credit crisis unfolding in the world, the stock market in Syria is not affected because luckily there is no one! Talks and studies about starting a stock market in Syria were underway but now it is almost certain they will be postponed. Private banks that are playing an increasingly important role in the business life in Syria are not affected as long as their foreign affiliates -mostly Gulf and Lebanese banks- are not affected.

However severe recession in the world market is looming and this will certainly have its impact on Syria where the economy could be affected by a drop in remittances from workers in Gulf Arab states, and a decline in petrodollar investments.

The true victim in Syria of this financial fiasco is economic reform that will be facing increasing resistance. Abdullah Dardari, deputy prime minister responsible for the economy, admitted this new reality. He was quoted in Financial Times after he received a hostile reception from the Syrian Parliament "It becomes even easier to say: 'Look at those neo-liberal policies and what they have done - and at the neo-liberal groups in Syria and what they will do'."

Dr. Naji Arwashan
Honorary Consul General

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