A4.1 Tourism Zones

For the analysis of the tourism development in Syria, the country is divided into the following eight tourism zones with due consideration to the distribution of resources, their relative location, nature of the tourism, and existing and likely future tour circuit routes.

(1) Damascus Zone

This zone is located at the southwest part of Syria and covers two Mohafazats, Damascus City and Damascus Countryside. This zone is the center of political, economic and cultural activities in the country with its population of about 2.6 million having substantial shares in the industrial production and commerce. With Damascus city as the tourism core and the most important gateway to Syria this zone contains the highest share of the tourist number[4] in the country, namely 38 percent of the foreign tourists, 75 percent of the Arab tourists and 43 percent of the Syrian tourists. Though the total number of the tourists has not increased during the past 8 years (1987-1995), the important role of this zone in the Syrian tourism is expected to continue in the future.

(2) Aleppo Zone

The Aleppo zone is located at the northwest part of Syria and includes two Mohafazats, Aleppo and Idleb. Besides, Assad Lake is also included in this zone taking into account the distance from Aleppo. This zone is, in general, characterized by highly developed area of agriculture and industry in the country with its population of about 5 million. With Aleppo city as the tourism core, this zone has historical sites in the city and in northern Aleppo (Saint Simeon, Ain Dara, etc.) as well as the lake resort. Aleppo plays an important role as the northern gateway and receives the second largest number of tourists in the country, particularly for the foreign tourists and Syrian tourists. Foreign tourists registered a remarkable increase (21% p.a.) during the past 8 years in this zone.

(3) Coastal Zone

This zone is situated at the western part of Syria along the Mediterranean Sea and covers two Mohafazats, Latakia and Tartous. With population of about 1.7 million, this zone is characterized by agricultural activities including small scale fishery as well as industrial development. Tourism resources available in this zone are archaeological and historical sites such as Ugarit, Salahdin Castle, Marqab Castle, and coastal resorts. The coastal resorts are unique in Syria and receives considerable number of Arab and domestic guests particularly in the summer season. In terms of the tourist arrivals the Coastal Zone is ranked at No. 3 in the country. Though the beach resort faces a very competitive world market, this zone has potential for further development, if appropriate marketing and promotion are performed taking into account its relation with cultural resources and cost competitiveness together with the improvement of infrastructure and related services.

(4) Homs and Hama Zone

This zone is located at the east side of the Coastal Zone between Aleppo and Damascus, and covers two Mohafazats, Homs and Hama. The population of this zone is about 3 million and its main economic activities are agriculture and manufacturing industry. Tourism activity is

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[4] Numbers of tourists are measured by numbers of hotel guests.

still small at present with relatively low share in terms of the number of tourists visited (less than 4% of total in the country). However, this zone is strategically situated between the two core cities and at the crossing point of the north-south and the east-west corridors, and has substantial development potential being benefited by important cultural and archaeological sites such as Apamea and Crac des Chevaliers.

(5) Palmyra Zone

Palmyra is located in Homs Mohafazat, a central part of Syria, but is to be treated as an independent tourism zone in view of importance and its unique archaeological resource and its location being far from Homs city. With the population of about 50,000, tourism is the most important economic activity in this zone except agricultural activities in a limited scale. At present, about 20 percent of the population is being related to the tourism industry in Palmyra. This zone is an important place for foreign tourists (about 70% of the tourists visiting Palmyra are foreign) and maintains a relatively high share in the country. Compared to foreign tourists, Arab tourists show little interest in this zone. As indicated in the high growth rate (20% p.a.) of the foreign tourists during the past 8 years, this zone will continues to be a symbolic area for foreign tourists in the future.

(6) Euphrates Zone

This zone is located at the east part of Syria along Euphrates river and covers two Mohafazats, Deir ez Zor and Raqqa. This zone is primarily an agricultural area with population of about 1.5 million and considered one of the least developed areas in the country, though oil exploration started since 1980s. Tourism development is still in a preliminary stage, but there exist considerable cultural and archaeological resources along Euphrates river such as Mari, Dura Europos, Halabiya and Rasafa. Though the number of tourists is small at present, this zone is attractive both to the foreign tourists and Syrian tourists. Particularly, the foreign tourists increased at a high growth rate of 24 percent p.a. during the past 8 years. This zone has a high potential for future tourism development and Deir ez Zor could become a core city of the region's tourism, provided that a substantial effort for improvement of necessary infrastructure and related services be made.

(7) Northeast Zone

This zone is located at the northeastern part of Syria and covers Hasake Mohafazat. With the population of about 1.0 million, this zone is basically an agricultural area producing about 20 percent of national agricultural products. Development priority is given to the agriculture sector and the oil producing sector. Though there exist archaeological tourism resources, tourism development in this zone is still in a low level mainly for local excursions at present. In view of its location and development stage of the tourism resources, it will still take time for this zone to become a tourist magnet and be included in the national tourist circuits.

(8) South Zone

This zone is situated at the southern part of Syria and consists of three Mohafazats, Suweida, Dara'a and Quneitra. Total population of this zone is around 1.4 million. This zone is economically less developed area with agriculture as its main industry. Due to the short distance from Damascus most of the tourist stay in Damascus and the resulting registered tourists (hotel guests) are the smallest in number. However, about 222,000 tourists were visiting Bosra (21,000 foreigners, 23,000 Arabs and 178,000 Syrians) in 1996 and this zone is already counted as an important tourism zone in the country with the important cultural and archaeological resources such as Bosra, Qanawat and Shahaba. In view of distance from Damascus, this zone can be considered as the sub-zone of the Damascus Zone.

Table A4.1.1 Number of Tourists by Tourism Zones

Unit: thousand persons

	Foreign Tourists			Arab Tourists			Syrian Tourists			Total		
	'87	'95	GR	'87	'95	GR	'87	'95	GR	'87	'95	GR
Damascus	168	168	0.0	217	287	+3.5	462	368	-2.8	847	823	-0.4
Aleppo	25	117	+21.3	19	46	+12.0	300	234	-3.0	343	398	+1.9
Coast	14	36	+12.5	25	24	-0.3	155	145	-0.8	194	206	+0.8
Homs/Hama	2	28	+42.7	3	11	+19.6	37	28	-3.7	42	67	+6.2
Palmyra	12	55	+20.6	1	7	+21.2	48	21	-10.0	61	82	+3.8
Euphrates	3	18	+23.7	0	2	+15.5	33	37	+1.4	37	57	+5.7
Northeast	3	2	-4.2	0	1	+10.4	32	30	-0.9	36	33	-0.9
South	0	10	+79.8	0	2	+27.4	4	8	+8.8	4	20	+21.3
Total	227	435	+8.5	266	380	+4.5	1,070	871	-2.5	1,563	1,685	+1.0

GR: Annual Growth Rate (%)

Figures were calculated by the number of hotel guests in each zone.

Source: Central Bureau of Statistics, Statistical Abstract, JICA Study Team

A4.2 Tourism Resources

The different resources that draw tourists to Syria are discussed in this section. The current conditions characterizing them, any capacity constraints hindering them either existing or emerging, and any new developments affecting them, are discussed in this section. Resources are divided into three broad categories, natural resources, ancient sites and museums, and the old cities of Damascus and Aleppo. Figures are provided in this section indicating Syria's major holiday sites, main cultural sites, and main religious sites.

A4.2.1 Current Conditions

Conditions are described for three broad categories of resources for tourism: for Syria's natural resources, for the ancient sites, and for the old cities of Aleppo and Damascus.

(1) Natural Resources

Syria is known internationally for its extraordinary cultural attractions, which are man-made, rather than for extraordinary natural beauty of its landscapes. This is the situation in most countries, where cultural and not natural attractions are important. However, the Arab holiday tourist, consisting largely of families traveling together, visits specifically for the mild summer climate and pleasant mountain and coastal environment; in addition, the cultural tourist visiting different parts of the country also has a great appreciation for pleasing scenery. Therefore, the condition of Syria's natural resources is quite important for sustainable growth in tourism.

In the coastal areas, because of rising tourism and substantial construction of bed capacity not only in the cities but in intermediate areas, and because of industrial developments such as plants and commercial ports, the coastal environment has suffered as some areas are no longer scenically as beautiful as before. The stretch of coast from Latakia to the Turkish border is somewhat of an exception for its beauty, as it is less developed and handles a lesser visitor volume compared to the coast south of Latakia. Resort development on Syria's coast can be competitive for recreation and tourism only if sanitary conditions on land and in the coastal waters used for recreation purposes, are up to acceptable standards. All holiday tourists whether Syrian, Arab or foreign require adequate sanitary conditions. For Syria to strengthen its role as the Arab Riviera, improved environmental management coupled with better management of land uses to separate incompatible uses in the future, are needed.

Syria's mountain highlands along the coast and in the south (Anti-Lebanon Range) host substantial numbers of Arab families and other holiday visitors specifically because the mountain environment is healthy and the towns don't suffer from urban ills (congestion, noise, pollution) of the big cities. Proper management of conditions in the resort towns will enable them to extend their high season and draw other types of visitors.

The desert and Euphrates River areas have generally good conditions for tourism, with the major exception of the climate (summer heat and winter cold) which severely limits its tourist season to the spring and autumn seasons. There is also a problem of tedious road trips to Palmyra and to points along the Euphrates River since some of the long sections of desert road are visually uninteresting. The Euphrates River itself constitutes a very major tourist resource as one of the defining rivers of the Fertile Crescent (ancient Mesopotamia), rich in history, and as a striking and refreshing visual contrast for the desert. Similarly, Lake Assad is a major resource for recreation and tourism for the same reason. Conditions at this location appear favorable for the development of infrastructure for recreation and tourism purposes, for both Syrian, Arab and foreign visitors.

(2) Ancient Sites and Museums

It is interesting to compare Syria's sites with world heritage designation with those in other Middle Eastern nations; for this reason a list of World Heritage Sites in the Middle East, including Syria, appears as Table A4.2.1. About a third of the 34 sites listed are located in large or medium size cities, including the major cities of Istanbul, Cairo and Tunis. Many others are located in ancient cities that are now considered somewhat remote. Therefore, it is apparent that cities, modern and ancient, contain much of the world's most enduring heritage resources to be preserved.

For the visitor, conditions at Syria's ancient sites are very variable but in general are adequate. Many of the minor sites are hard to find because there are no directional road signs or the signs are poorly maintained, or are not written in the English language. Table 4.2.1 presents visitor counts at four of the country's most popular cultural destinations; it shows how greatly patterns can differ between the Syrian, Arab and foreign visitor groups, with each group favoring a different site. From It is clear that visitor volumes are high in the urban areas of Damascus, Aleppo, Bosra and Palmyra, and interestingly at the somewhat remotely located Crac des Chevaliers castle west of Homs. The sites of importance to pilgrims are located in the greater Damascus vicinity.

However, a fairly uniform failing at most ancient sites and in the museums is the absence of posted interpretive materials (labels, site maps, explanatory texts and diagrams) to mark a logical trail through the site, and to inform the visitor of the identity and historic significance of key features and displays, in the Arabic and English languages. Ideally, the postings will provide ample background material to increase the visitor's historical understanding; at a minimum the postings must identify the exhibits. For the cultural information, foreign visitors must rely on purchased guide books or on hired licensed guides to find out the meaning of the sites; often the books or the guides are not available in the desired language, or they are of poor quality, with poorly written (or printed) books. Guides too often have poor mastery of the English (or other) language or little meaningful knowledge to relate about the site.

This situation is limiting the value and market potential of these museums and sites to the limited market of travelers interested in ancient sites regardless of condition of presentation. The broader cultural market is not satisfied by bare, uninterpreted sites, and it is this broader market that is not yet coming to Syria, but remains a potential one for the future.

Table A4.2.1 World Heritage Sites in the Region

COUNTRY	YEAR	SITE
Syria	1979	Ancient City of Damascus
	1980	Site of Palmyra
	1980	Ancient City of Bosra
	1988	Ancient City of Aleppo
Egypt	1979	Ancient Thebes with its Necropolis
	1979	Islamic Cairo
	1979	Memphis and its Necropolis - the Pyramid Fields from Giza to Dahshur
	1979	Nubian Monuments from Abu Simbel to Philae
	1979	Abu Mena
Jordan	1985	Petra
	1985	Quseir Amra
Lebanon	1984	Anjar
	1984	Baalbek
	1984	Byblos
	1984	Tyre
Morocco	1981	Medina of Fez
	1985	Medina of Marrakesh
	1987	Ksar of Aït-Ben-Haddou
	1996	The Historic City of Meknes
Tunisia	1979	Amphitheater of El Djem
	1979	Site of Carthage
	1979	Medina of Tunis
	1980	Ichkeul National Park
	1985	Punic Town of Kerkuane and its Necropolis
	1988	Medina of Sousse
	1988	Kairouan
Turkey	1985	Historic Areas of Istanbul
	1985	Göreme National Park and the Rock Sites of Cappadocia
	1985	Great Mosque and Hospital of Divrigi
	1986	Hattusha
	1987	Nemrut Dag
	1988	Xanthos-Letoon
	1988	Hierapolis-Pamukkale
	1994	City of Safranbolu

Source: UNESCO, 1997

Another urgent need is adequate sanitary facilities at the key sites, that are consistently well maintained. Most sites lack good sanitary facilities. Another common problem is the unsafe condition of the unrailed stairways and roof terraces at the castles and other large structures. Guardrails are needed, and many of the stairways are uneven and unsafe for use by older people. As regards the physical condition of the ancient sites, there are both natural and human threats contributing to their deterioration. Table A4.2.4 explains the main threats, with the main ones being human ones, including the reuse of ancient stones for construction materials, trash, burning of fires and picnicking in the sites, parking cars in them, and graffiti.

Palmyra

Palmyra is a good example of the inconvenience of no signage. Visitors having no local guide, or having no guidebook with diagrams, cannot easily orient themselves, find the main buildings, or appreciate the significance of the structures. A different factor affecting the preservation of the site is that the regional highway bisects the ancient town and carries heavy traffic of all kinds across the desert. Some of the ancient structures lie as close as 2 meters from this roadway. Another problem is the ongoing loss of trees and the expansion of the modern town bringing more traffic to the region, because of the growing phosphate mining industry nearby, and expanding road travel to Palmyra and the Euphrates region.

Urban Locations

The ancient buildings found in urban locations such as Bosra, Homs and Hama include splendid old homes and palaces as well as bath houses, old mosques and madrassas. The diversity of old structures from different periods and cultures, is one of Syria's key tourism assets. Generally the main buildings have adequate identification, often including English labels, but their physical conditions vary greatly. A few are still in use today and can be easily toured, as they are managed by DGAM or Waqf. Some are used as museums and are adequately guarded and maintained. Often licensed guides are available at the entrances to the most important buildings. Unfortunately, buildings that are no longer in use are generally not securely shut to the public but rather are neglected, often falling victim to vandalism and abuse by local residents. The DGAM has too limited resources to devote to securely "mothball" empty historic buildings for future renovation and reuse.

Remote Locations

Syria is fortunate to offer numerous sites from pre-historic to the Ottoman period, that can be used to create itineraries offering great variety and interest to cultural tourists. The better known remote locations include the castles of Crac des Chevaliers, Marqab and Salahdin, as well as the sites of Ain Dara, St. Simeon, and the Dead Cities. Such locations are scattered across the country, with the northern sector containing a strong concentration of them, in the Aleppo and Idleb Mohafazats. Because of their distance from cities and towns, they generally are spared the abuses suffered by urban sites. Accessibility is generally good, over paved roads, although the sign posting needs to be improved. A few ancient sites are located along the Euphrates River in particular Dura Europos and Halabiya-Zalabiya. They offer great scenic beauty in combination with the beauty of the river, and represent excellent resources for future tour circuits.

(3) Old Cities

Old Damascus

This central part of Damascus contains the city's core religious and historical attractions that are prominently featured in much of Syria's international promotional materials, and that are probably Syria's most heavily visited sites. Old Damascus with its souqs for good shopping is also a favored stop for visitors from Jordan and Lebanon on short trips to Syria. For the cultural tourist, not only are these specific attractions relevant, but also the ancient neighborhood environment reflecting centuries of human occupation by different ethnic groups, also represents a strong attraction; for this reason Old Damascus has been designated a World Heritage Site. The old city serves as a living showcase of the long history of Damascus and of Syria. There is some ongoing renovation of old buildings for use as restaurants and as homes. However, for foreigners it is difficult to find their way around these old cities for lack of clearly posted street names in English.

Unfortunately, despite the fine condition of the popular monuments, museums and shopping areas, Old Damascus is suffering from severe urban ills that authorities are having great difficulty confronting. Many structures are abandoned and deteriorating from neglect, and others are so poorly maintained that only the poorest families will live in them. The ongoing loss of old buildings is reducing the stock of buildings suitable for adaptation as restaurants, hotels, high quality shops, housing, institutional uses and as office space. At present there is no clear revival plan to arrest this decay to save the old city.

Old Aleppo

Much of the same can be said for Aleppo's old city which covers some 400 hectares, roughly triple the size of the Damascus old city. Aleppo's old city serves as the location of the famed Aleppo Citadel, and of the Middle East's largest system of covered souqs; with a variety of ancient religious buildings and neighborhoods, Aleppo's old city represents a historic urban resource and its old city could be one of the main tourist attractions in the Middle East. Yet because of changing demographics of Syrian society and changes in living preferences of today's Syrians, the old city has seen an exodus of middle and upper classes leaving much of the housing to abandonment or for use by low income families. The result is a decaying urban zone that has lost its vitality and that is loosing its stock of old buildings many of which are distinctive in character and have historic value. An urban revitalization project has been set up by Aleppo's city government with the help of Germany's GTZ agency to implement a rehabilitation plan over the next few years.

A4.3 Marketing and Promotion

A4.3.1 Public Sector

(1) Promotion Activities

Table A4.3.1 shows the promotional activities sponsored by the Government. These activities are not necessarily sponsored only by MOT but the other ministries also participate. Most of these activities are local or regional events held yearly or periodically. These activities are taken care of by the Tourism Promotion Directorate of MOT. This Directorate was established in 1992 and it formulates plans, prepares and supervises the shows, festivals, tourist-days held in Syria with cooperation and advice of the Tourism Relations Directorate. These activities seem to be designed primarily for regional and local residents.

Among the activities, international exhibitions of which the participation is decided through the meeting between the Tourism Relations Directorate of MOT, the SATTA, and the hotel operators, seem to be the most important for the Syrian overseas tourism promotion at present. MOT receives about 30 invitations from overseas exhibitions a year and it chooses about 10 exhibitions to participate. Those of Paris, Berlin, Milan, London, Madrid and Dubai are the ones MOT routinely participates in. Each year travel agencies, tour operators and hotel operators are asked to participate in those exhibitions and the cost of participation is shared among them.

Table A4.3.1 Promotional Activities in 1996 - 97

Kinds of activity	Names of Activity	Period	Place	Persons to be invited	Budget	Sponsored by
Festivals, fairs, shows, etc.,	Palmyra festival	May 2-4	Palmyra	Officials, Ambassadors, Travel agencies, Artists	$115,000	MOT
	Int. Flower show	July 1-15	Tishreen Park, Damascus	ditto	Note 1	MOT/ Mohafazat
	Damascus Int. Fair	Aug, Sep			N/A	MOEFT
	Folklore & Music Festival	October	Bosra	ditto	N/A	MOC
	Theater & Film Festival	November	Damascus	ditto	N/A	MOC
	Flower show	April	Latakia	ditto	N/A	MOC
	Wine Festival	September	Sweida	ditto	N/A	MOC
	Cotton Festival	September	Aleppo	ditto	N/A	MOC
	Al Bassel Festival	August	Latakia	ditto	N/A	MOC
	Alrabee Festival	April	Hama	ditto	N/A	MOT
	Tartous Festival		Tartous	ditto	N/A	MOT
	Idleb Festival		Idleb	ditto	N/A	MOT
	Arabic Song Festival		Aleppo	ditto	N/A	MOT
	Book Fair	September	Damascus	ditto	N/A	MOC
Tourism days	World Tourism days	September	Maalula, Bludan	ditto	$12,000	MOT
Advertisement on news media	Newspaper, TV, Radio	Periodically	MBC, London Satellite channel			MOT
Others	Inter-Europe yacht race	Periodically	Europe	N/A	N/A	N/A
	Arab Cycle race	Periodically	Arabic countries	N/A	N/A	N/A
	Folklore dance	Periodically	Syria	N/A	N/A	N/A

Note 1: No budget allocated because all expenses covered by admission sales
MOEFT: Ministry of Economy and Foreign Trade
Source: MOT, JICA Study Team

Table A4.3.2 shows the budget allocation among the Tourism Relations Directorate and the number of staff. About US$ 6,000 are spent at each overseas exhibition by the Ministry and US$ 6,000 by each participant from the private sector. The budget is indeed small.

Table A4.3.2 Budget and Number of Staff of Tourism Relation Directorate

Section	Staff	Jobs	Allocated Budget	
Publication	8	Publication of books, tourism materials	$345,000	
Exhibition	6	International/Local fairs, trade shows,	$160,000	*
Public Relations	5	Protocols, Correspondence	$183,000	**
3 Information Centers	64	Tourist Information	None	***

Note: Staff salary is excluded from the budget; Total budget allocated to the Tourism Relations Directorate is about $690,000; The appropriation of the budget among the Depts. are often executed
* The budget is for overseas exhibitions and advertisement for World Travel Guide
** The Budget includes local fairs, shows and tourism days
*** Usually no budget allocation
Source: MOT

At present, Syria has no overseas tourism office. The establishment of the overseas tourism offices is already provided for in the Law (Legislative Decree No. 41 in 1972).

(2) Promotion Materials

Printed materials are necessary for the promotional activities as well as for marketing. Table A4.3.3 is the list of materials published by MOT.

Table A4.3.3 Promotional Materials

	Size	Pages	Title or Contents	distributed to	Issued by	Written in	Quantity
			Road Map for tourist	Regional tourist office		English	50,000
			Damascus and Countryside	Airport tourist office		English	30,000
			Aleppo / Idleb	Syrian embassies		French	25,000
Guide Maps	69.5 x 46	4 folds	.Homs / Hama	ditto	MOT	German	25,000
10			Coast; Latakia / Tartous			Arabic	25,000
			Dara'a / Suweida, Quneitra				
			Syria at a glance			Note 1	Note 2
			Damascus general view			English	25,000
			Syria general view			French	25,000
			.Syria cultural relics x 9			German	25,000
			Damascus / Azem Palace			Italian	25,000
			Citadel of Salahdin			Spanish	25,000
			Palmyra, Marqab Castle			Arabic	25,000
Posters	48.3x68.6		Omayad Mosque				
25			Rasafa, Idleb				
			Apamea / Hama, Ibn Wardine				
			St. Simeon				
			Maalula, Latakia				
			Crac des Chevaliers				
			Norias of Hama				
			Bosra Amphitheater		MOT	English	40,000
Booklet	12x16.7	176	Syria	ditto	in 1989	French	40,000
2						Arabic	40,000
	12x16.9	109	Palmyra			English	30,000
	20.9x29.7	11	Cradle of Civilization, SYRIA	ditto	MOT	English	30,000
						French	25,000
Brochure	10.5x21	8	Syria(Palmyra)			German	25,000
3					Arwad	Italian	25,000
	47.5x33	3 folds	.Arwad		Municipality	Spanish	25,000
					Council	Arabic	25,000
Image catalogues	34x10.3			ditto	MOT	English	25,000
						French	25,000
Image photos	26x36.5					German	25,000
						Italian	25,000
Calendars	33.8x49	13	Changes yearly	ditto	MOT	English	30,000
Atlas of Syria	31.5x17	102		ditto	MOT	English, Arabic	10,000
Damascus	31.5x17	116				French	10,000

Note 1 :English, French, German, Arabic, Spanish, Italian; Note 2 : English 30,000 Others 25,
Source: MOT, JICA Study Team

These are the kinds of materials collected from most of the major regional tourism offices and the offices of the Tourism Relations Directorate, and may cover more than 98 percent of the materials which MOT has at present. At a glance, these materials are conventional types and they do not seem to have periodically revised.

There are several points worth commenting on these materials.

Guide maps

- The year published is not registered, and old and recent editions are mixed;
- Legend of road maps is inconsistent;
- Contents of guide maps are different depending on the publishing company;
- Town maps are old and inappropriate (not updated); and
- Contents of each of foreign language versions are the same.

Posters

- Printing quality of posters seems to have improved as they go through several impressions.

Booklets

- Compact and handy, but not revised often enough.

Brochures

- "Cradle of civilization" is good in design, and photos; and
- The necessary information for on site usage such as resthouses, souvenir shops, parking lots are missing. Also the route indication is missing in the one for Palmyra.

Image photos and photo catalogues

- Of mediocre quality.

Calendars

- Different from the past editions. This year's edition (97/98) is interesting in design.

The tourist atlas of Syria

- First edition was in 1989 and no revision has been made.

General comments

- The places to be distributed are regional and limited.
- A significant quantity of them are left unused and kept piled up at offices and centers.
- Gateway materials are missing.
- On-site information materials and those for tour operators and travel agencies in and out of Syria are needed.
- At each site, no information materials are handed over to tourists. Even at Damascus Tourist Information Center, only a guide map is available.

The points mentioned above are probably the results of the budgetary insufficiency of MOT. At present its offices are not equipped with modern clerical tools such as computers, video players, etc.

(3) Information Offices and Activities

There are three tourist information offices in Damascus: at the Airport, 29 May Street and MOT building. Similarly, each Mohafazat has a tourist information office in the capital city. The number of information offices in Syria is considered sufficient for the moment. Information offices are provided with free promotion materials described before. However, these material are sometimes not suitable for information offices. More practical information for tourists who are about to visit tourist sites is needed: e.g. wall maps showing tourist sites location visually, scale model of tourist quarter, useful information about hotels and souvenir shops, etc.

A4.3.2 Private sector

In the private sector, travel agencies, tour operators and hotels seem to be taking relatively aggressive and diverse promotional activities in comparison with the public sector. Direct interviews with some of the key persons of the major travel or tour agencies revealed that their activities are wider in range and more tourist oriented.

It was not until early 1980s Syrian presentation to overseas market effectively started. However, several tour operators had already contacted Japanese market in the early 70s before MOT was established and had joined JATA: Japanese Association of Travel Agencies.

Some of their promotional activities are pursued in cooperation with MOT. They participate in the international/local tourism fairs, seminars, trade shows etc. several times a year. Sometimes the participation fee costs them US$ 6,000 a year per company. The other activities are done by each company. Tourism-related key persons or staff from several important markets are frequently invited. They amount to US$ 100,000 and are no small money for an individual company, but are effective for increasing the tourists and their businesses.

Though promotional materials are not much of variety, they are more tourist-oriented or market-oriented than those by the public sector; the followings are examples.

- Road maps are well up to date.
- Brochures are made by languages and markets. Two tour operators have Japanese editions. The quality of the paper, photo colors are good.
- A recently published tourist guide is with the information tourists want; such as hotels, restaurants, souvenir shops, airlines, tour agents, public service offices etc.
- Materials are put in a jacket and handed over.

Some tour agencies have expanded the Japanese tourists market since 1995 chartering the Royal Jordanian Airlines flights from Kansai airport to Amman airport. The Japanese tour participants spends about 2 days in Jordan and 3 days in Syria.

The number of the passengers per flight is about 150. The tour price per passenger is about US$ 2,000 and is said to be cheaper than that of ordinary package tours from Japan. In 1996 the frequency of the charter resulted in 8 to 9 flights a year and this business have helped to supplement the lack of the regular international flights to/from the Far East.

Some of the agencies have developed promotional video-tapes. Some are planning to make CD-ROM presentation materials. Several persons say that they urgently need to have access to the computerized network such as the Internet to compete with the demands of rapidly changing international markets' requirements.

A4.3.3 Relations of Public and Private Sectors

The public sector has not had enough budget and skilled staff to play the leading role in the tourism promotional field. On the other hand, the private sector does not rely on the public sector. In return for little help rendered by the public sector, public sector initiatives have not been particularly welcomed by the private sector.

With this situation as a background, to minimize the gap and to set up a good relation for tourism development between both sectors, there are several issues to be resolved.

- Incentives to further stimulate the private sector. Governmental loans to private tourism companies could be an option.
- A more flexible foreign exchange control system should be adopted so that the private sector can carry out transactions in more timely and efficient matter.
- Opinions of the private sector should be incorporated in the decision-making among ministerial bureaus in a manner fully taking advantage of their skill and knowledge.

A4.3.4 Tourism Marketing and Promotion of Egypt

Egypt has gone through the transition from the antiquities dominated niche destination to a world recognized popular destination under some periods of negative publicity. It is worth presenting the case of Egypt in tourism marketing and promotion when planning them for Syria.

A booklet called "Egyptian Tourism 1982-1996" published by Egyptian Ministry of Tourism in November 1996 tells their concepts and practices for their tourism development.

The Egyptian tourism business, after some ups and downs during 1980s and the beginning of 1990, started to rise again since 1993. During this period a new set of strategies emerged under the strong leadership of the president and with a strong initiatives of the government. Egyptian government put tourism industry on the top of the nation's economic policies. A special ministerial working group for tourism was formed. The Supreme Council of Tourism was summoned by the prime minister to reconvene, after an absence of ten years, to discuss tourist related issues, and a number of important resolutions and legislation were issued. All these efforts paid off. Results were remarkable: the numbers of tourists to Egypt during fiscal year 1995/96 increased to 3.5 million which was the largest ever attained in its history. The volume of investment of private sector increased during the first eight months of 1996 by SP 8.8 million. These two figures clearly show that the tourism industry has entered a new phase.

Table A4.3.4 summarizes the above strategies and implementation practices.

Table A4.3.4 Egyptian Tourism Development Strategy and Its Practices

	Strategy	Implementation Practices
1	Promotion through public relations campaigns with foreign media in order to correct Egyptian image	Hold meetings and interviews with representatives of the foreign media in both Egypt and abroad, and explain to the public the true situation.
2	Diversification of the Egyptian tourism products in order to suite the needs of a wide variety of tourists with the needs of interest	Production of calendars of tourist events.
3	Increase of the markets which export tourism to Egypt. Promising new markets like Japan, South Korea, South Africa, Russia, the Scandinavia countries, in order to protect Egypt in case of a drop in European tourists	A contract with advertising company: France Conseit, and in each countries.
4	Support to Egyptian tourism private sector	The Supreme Council for Tourism were convened after the absence of ten years in 1996. It gave the tourism sector a big push. Charter flights flexible rules were applied to encourage the operation of charter flights in Egypt.
5	Upgrading tourism and improve the standards of services provided to tourists and investors	Upgrading the skills of human element, developing information centers and linking them by the internet.
6	Encouragement of new tourist investment	The Supreme Committee for investment headed by President approved 80 projects for tourism investment. Exemption of custom duties, simplifying procedures or investment projects and their renewal , reduction of custom tax and tariff.
7	Creation of increased social awareness of the importance and benefits of tourism industry	Training courses for the staff of tourist offices in various countries. Developing information centers and link them with MOT by the internet. Increasing language courses and training programs for employees. Government put the top priority on tourism. A special ministerial working group was formulated. MOT was represented in a WTO meeting in 1995.
8	Acquaintance with the international tourist trends and perseverance of Egypt regional role and its position internationally through hosting conferences and tourism symposia	Cairo International Conference Center (CICC) was renovated.

Source: Egyptian MOT

A4.4 Tourism Facilities

A4.4.1 Hotels

(1) Classification

MOT classifies hotels into 6 categories: 5-star to 1-star and hostel (0-star) according to the Syrian hotel norms defined by MOT.

Table A4.4.1 Syrian Hotel Norms Abstract

	5-star	4-star	3-star	2-star	1-star
minimum number of rooms	n.a.	50	30	15	10
1 parking for every 3 guest rooms	yes	yes	yes	yes	
parking for buses	yes	yes			
planted access	yes	yes	yes	yes	
corridor width	180 cm	160 cm	150 cm	130 cm	120 cm
emergency exit 1 cm width for each occupant and minimum 150 cm	yes	yes	yes	yes	yes
heating	yes	yes	yes	yes	yes
fully air conditioned	yes	yes	yes		
minimum area for single room	10 sq. m	10 sq. m	9 sq. m	8 sq. m	8 sq. m
minimum area for double room	14 sq. m	12 sq. m	10 sq. m	9 sq. m	9 sq. m

Source: MOT

The norms are defined in details, however, some norms seem rather out dated and behind the international standards of practice. For example, any internationally recognized 5-star hotel including Syrian one is not built with 14 square meters double rooms today. International trend of 5-star hotel guest room size is already around 40 square meters. On the other hand, other requirements such as number of restaurants, meeting facilities or sport facilities are not clearly mentioned in the same Syrian hotel norms.

The position of "hotel standards or norms" in many countries varies. In some countries, the government defines it strictly including pricing, and in some countries, hotel association or similar private organization makes it and more flexibility in pricing. However, the objective of hotel norms is consistency, which should be for the safety, convenience and pleasantness of hotel guests. Therefore, it is important that the Syrian hotel classification and its practice meet the expectations of all hotel gusts stayed. Measures to minimize the gap between the quality of hotels and hotel rates which causes complaints of tourists should be considered and taken by the concerned parties.

(2) Management and Operation

MOT owns six 5-star hotels: Le Meridien in Damascus, Sheraton Hotel in Damascus, Ebla Cham in Damascus, Le Meridien in Latakia, Chahba Cham in Aleppo and Cham Palace in Palmyra. These hotels are operated by respective hotel operators by contract. In addition, MOT owns Damascus Airport Hotel, Qardaha Hotel in Latakia, Baron Hotel in Aleppo. MOT also participates hotel provision in collaboration with the private sector. All other 5-star hotels and major 4-star hotels are in this category. Other public companies or organization also own hotels: Semiramis Hotel in Damascus by Hijaz Railway, Tartous Grand Hotel by Mohafazat, Slounfe Grand Hotel by the local government, etc.

All 5-star hotels in Syria are related to governmental ownership. A few 4-star hotels and below 3-star hotels are fully owned and operated by the private sector. Although the private sector plays an important role in hotel operation, the private sector is still far from the leading role player in Syrian hotel industry.

Hotel room rates are controlled and decided by the government according to the classification except 5-star hotels. Table A4.4.3 shows a comparison of 5-star hotel room rates in the region. There is no significant difference in list prices. However, hotel room rates in Egypt seems a little cheaper, because of competitive rates among hotels. It should be noted that room rates in practice may differ from these as a result of various marketing effort.

Table A4.4.2 Government Owned and Joint Venture Hotels

	built	-star	rooms	beds	note
MOT Owned Hotels					
Sheraton, Damascus		5	220	342	
Le Meridien, Damascus		5	395	764	
Le Meridien, Latakia		5	274	584	
Ebla Cham, Damascus Airport		5	404	948	
Chahaba Cham, Aleppo		5	208	416	
Palmyra Cham, Palmyra		5	243	486	
Damascus International Airport Hotel		4	44	96	
Qardaha Hotel, Latakia	1993	4	120	240	
Baron Hotel, Aleppo	1906	3	40	80	
Judayet al Wadi Motel, Damascus C.		-	42	70	
Other Public Organization Owned Hotels					
Semiramis Hotel, Damascus		5	99	232	Hijaz Railway
Bludan Grand Hotel, Damascus C.		4	105	220	
Slounfe Grand Hotel, Latakia		2	50	50	
Tartous Grand Hotel, Tartous		4	90	220	
MOT and Private Sector JV					
Bosra Cham, Bosra		4	70	140	SYRTEL, MOT
Furat Cham, Deir ez Zor		5	150	215	SYRTEL, MOT
Safita Cham, Tartous		5	76	142	SYRTEL, MOT
Mushta al Helou Resort, Tartous		4	-	-	TRANSTOUR, MOT
Public and Private Sector JV					
Cham Palace Hotel, Damascus		5	330	944	SYRTEL, Mohafazat
Apamea Cham, Hama		5	168	200	SYRTEL, Mohafazat
Côte d'Azur de Cham, Latakia		5	1053	3000	SYRTEL, Mohafazat
Safir Homs Hotel, Homs	1992	4	130	272	
Safir Maalula Hotel, Damascus C		4	38	76	
Raqqa Tourist Hotel, Raqqa	1993	3	37	100	99.4%, Karnak
Sweida Hotel, Sweida		-	-	-	
Al Faradis Hotel, Damascus		4	104	209	TRANSTOUR, SYRTEL
Carlton Hotel, Damascus		4	-	-	

Source: MOT, 1997

Table A4.4.3 Comparison of Hotel Room Rates in the Region

Country	Hotel	No. of Rooms	Standard Room Rates (US$)	
Syria	Sheraton Hotel, Damascus	220	from 175	to 220
Egypt	Sheraton Hotel, Cairo	657	from 160	to 182
	Ramses Hilton, Cairo	836	from 138	to 211
	Semiramis Inter-Continental, Cairo	840	from 155	to 175
Jordan	Inter-Continental Jordan, Amman	400 include extension	from 185	
Dubai	Hilton Hotel, Dubai	338	from 228	to 375
	Inter-Continental, Dubai	281	from 259	
Turkey	Hilton Hotel, Istanbul	390	from 205	to 350
	Ceylan Inter-Continental, Istanbul	500	from 173	to 322

Note: Room rates above are for ordinary season and subject to change in practice.
Source: Inter-Continental Hotels, Hilton International, Sheraton Hotels, September 1997

A4.5 Tourism Industry

A4.5.1 Major Components of Tourism Industry

(1) Tourist and Travel Agents

Among 567 tourist and travel agents registered with the Syrian Association of Tourist & Travel Agents (SATTA)[5], only four companies, namely Karnak Tour, TRANSTOUR, Orient Tour and Cham Tour, are public-private joint ventures. Their respective government shares are 25 percent except for Karnak Tours whose government share is 67 percent. These joint venture companies were established by law and are given various concessional privileges such as income tax exemptions, custom exemptions and the right to open foreign exchange accounts. All the other tourist and travel agents are financed by local investors and their scales are relatively small.

The geographical distribution of tourist and travel agents is shown in Table A4.5.1. More than a half of the agents locate their headquarters in Damascus and nearly 20 percent in Aleppo. Larger scale agents also concentrate in these two areas. Although the Directory for Active & Allied Members of the Syrian Association of Tourist & Travel Agents, published in 1994, shows that at least 155 agents are registered with SATTA as tour operators, only 30 or slightly more agents actually operate inbound package tours. The majority of the registered agents provide only ticketing services and cargo services.

Table A4.5.1 Geographical Distribution of Tourist and Travel Agents

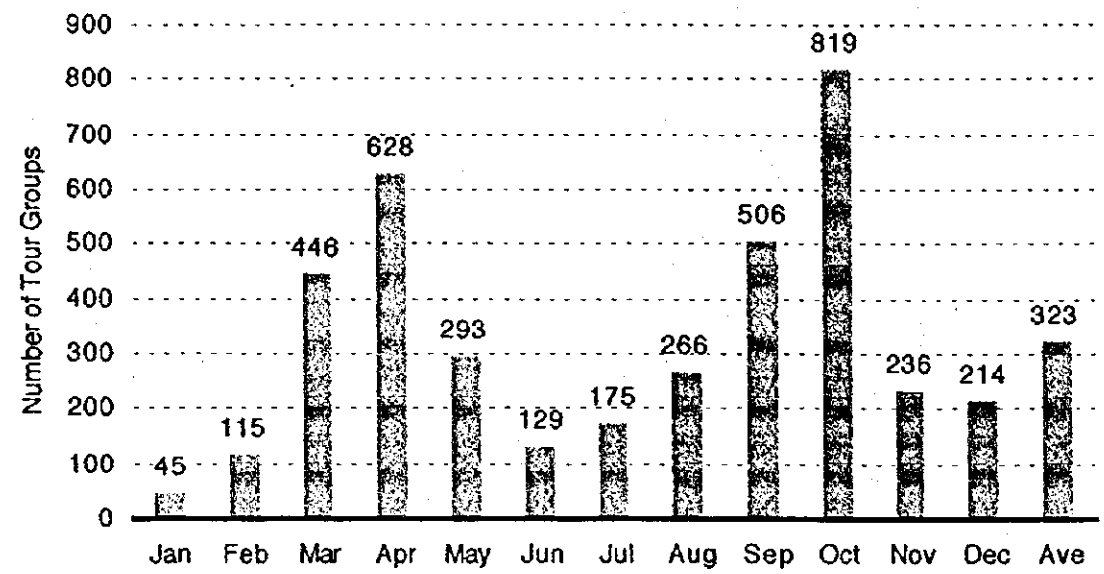
Area	Damascus	Aleppo	Homs	Latakia	Hama	Tartous	Others	Total
No.	308	104	38	23	22	11	61	567
%	54.3%	18.3%	6.7%	4.1%	3.9%	1.9%	10.8%	100%

Source: SATTA, July 1997.

As shown in Figure A4.5.1 and A4.5.2, tour operators organized 3,881 package tours and dealt with 99,265 package tour tourists in 1996. Both the monthly numbers of package tours and package tour tourists were subject to seasonality. The former fluctuated between 45 and 819 and the latter between 1,360 and 25,019. Package tour operators are usually specialized in specific target markets.

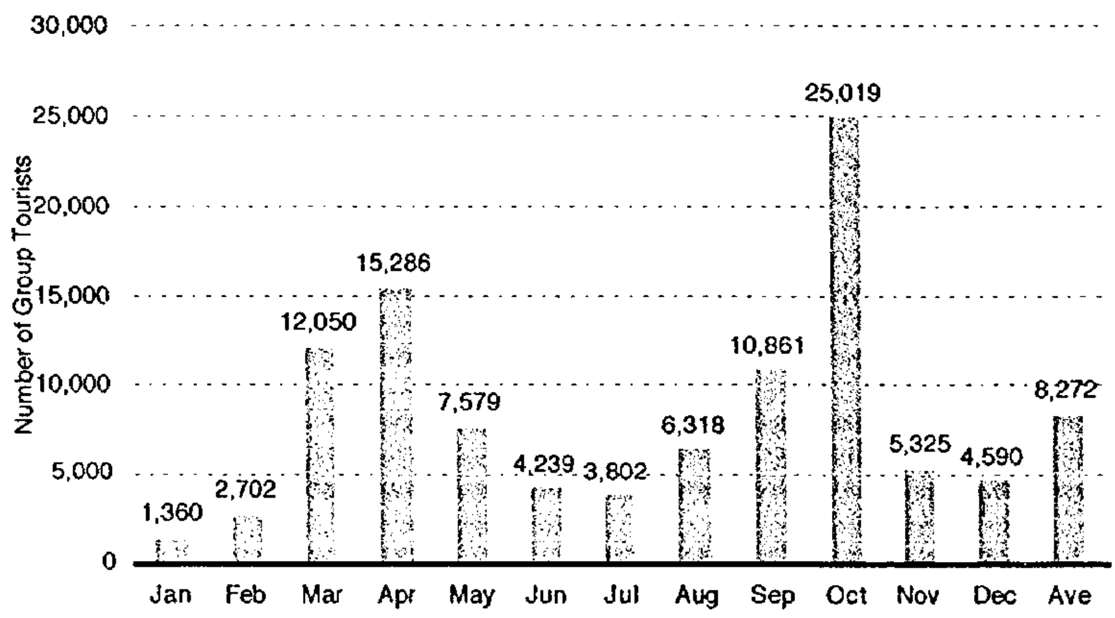
[5] As of July 1997.

Figure A4.5.1 Number of Group Tours by Month in 1996



Source: MOT, 1997.

Figure A4.5.2 Number of Group Tourists by Month in 1996



Source: MOT, 1997.

The amount of tourist spending by package tours included in the package tour prices and the package tour commission income earned by tour operators can be estimated from the number of package tour tourists. Based on the result of our hearing from major tour operators, the following assumptions were set for the estimation:

- the average size of package tours is approximately 20 tourists;
- the average net cost for package tour tourists in an average size package tour per person

per night is approximately US$ 75; and
- the average profit rate for package tours is approximately 7 percent.

The package tour report data in 1996 show the total tourist nights by package tours is approximately 743 thousand. Therefore the estimated annual total package tour tourist spending and the estimated tour operation commission income in 1996 are approximately US$ 55.7 million and US$ 3.9 million respectively. The total income by the travel agent industry as a whole includes earnings from some other services such as ticketing, cargo, and various services for individual travelers. Travel agents receive 6 to 9 percent commissions on issued ticket prices. For example, one of major tour operators stated that the amount of the commission income from ticketing is 11.3 percent to the package tour commission income. Provided the proportion of the income of the above-mentioned agent is the average, the estimated annual total income for all the tour-operating agents is about US$ 4.3 million.

The number of employees of each agent varies from one or two to several hundred. The average number of employees is approximately five or slightly more per agent, according to the hearing from SATTA. The total number of employees in the travel agent industry is therefore estimated at approximately 3,000. Wages vary from SP 3,000 to SP 8,000 per month in most cases and the average wage rate is approximately SP 6,000 to 7,000 per month. The monthly total personnel expenditure in the travel agent industry is estimated at approximately SP 20 million (US$ 450 thousand). Approximately US$ 5.4 million is spent annually for the labor cost, which is larger than the estimated tour operation commission income. The total ticketing commission income is considered large because the proportion of non-tour-operating agents is high. According to the hearings from tour operators, approximately 25 to 35 percent of the commission income is spent for payroll by tour-operating agents. Provided its proportion as 35 percent, the estimated annual total labor cost for all the tour-operating agents is about US$ 1.52 million.

(2) Tour Guides

At present tour guides are still short in number and quality. According to MOT, the number of guides is 1000 but only about 270 are working. Skilled English guides are the most in number (100) followed by French (80).Comparing with these two, the percentages of other languages are small. For example, the number of Japanese guides is only 2. Besides, skilled ones are small in number, sometimes they are old and are very popular among travel agencies and the supply can not satisfy the demand. Newcomers are mostly low skilled and need more experience. Training of tour guides must play an important role, because, for a major history and culture tourism country such as Syria, flexible and integrated oral guidance is required in addition to on-site information displays.

Every package tour always includes a local tour guide so that the number of job opportunities for tour guides can be roughly estimated as the sum of package tour lengths (days), which can be obtained from the package tour report data. The estimated total number of job opportunities in 1996 is 35,639 man-days. According to the hearing from some major tour operators, income from tour guiding services per group per day ranges from SP 1,000 to 2,000 depending upon languages, experiences, knowledge, sites and schedules, and the average earning per day is SP 1,500. Using this figure, the average annual income among actually working tour guides is estimated at SP 198,000 (SP 16,500 per month), which is much higher than the average salary for tour agent workers. Tour guides often receive tips in addition to the above mentioned income.

Table A4.5.2 Number of Tourist Guides

Language	English	French	German	Spanish	Italian	Russian	Dutch
Registered	362	183	146	67	52	92	4
Working	100	80	40	25	20	30	N/A
Arrivals	17,586	21,545	25,436	3,981	10,776	58,151	6,006
Language	**Greek**	**Chinese**	**Japanese**	**Bulgarian**	**Boronian**	**Romanian**	**Swedish**
Registered	8	1	2	3	2	2	1
Working	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arrivals	2,062	N/A	4,957	4,510	N/A	4,587	4,651

Arrivals are the number of frontier arrivals in 1996
Arrivals column of English is addition of British and American
Source: MOT, 1997.

Although the average annual income is not estimated as small compared with the income level in Syria, many tour guides may face a serious seasonality. As shown in Table A4.5.3, the lowest average monthly income is estimated at only SP 1,689. The seasonality problem however does not affect all the tour guides evenly. It probably affects less-skilled guide more acutely.

Table A4.5.3 Estimated Income by Tourist Guides by Month in 1996

Month	Jan	Feb	Mar	Apr	May	Jun	Jul
Job Opportunities (Days)	630	1,505	3,276	3,024	2,345	462	637
Total Income (SP 1,000)	945.0	2,257.5	4,914.0	4,536.0	3,517.5	693.0	955.5
Average Income (SP 1,000)	3.5	8.4	18.2	16.8	13.0	2.6	3.5
Month	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**		**Total**
Job Opportunities (Days)	1,050	2,163	2,814	812	931		19,649
Total Income (SP 1,000)	1,575.0	3,244.5	4,221.0	1,218.0	1,396.5		29,473.5
Average Income (SP 1,000)	5.8	12.0	15.6	4.5	5.2		109.2

Note: Job opportunities are estimated by (No. of Group Tours) * (7 days).
Source: JICA Study Team

Contrarily in the high seasons such as October, monthly total job opportunities nearly reach the maximum possible man-days of 270 tour guides. This means that many tours are forced to be guided by unskilled tour guides and there must be shortage of guides in the near future in the high season.

(3) Restaurants

Most of restaurants are licensed and classified by MOT according to the norm defined by MOT (cf. Section A5.2.4).

There were 580 restaurants (excluding restaurants in hotels) registered with MOT in 1995. Among them, 268 restaurants (46.2%) are located in the Damascus tourism zone. Another 111 restaurants (19.1%) are in the Coast tourism zone, and 93 restaurants (16.0%) are in the Aleppo tourism zone. There are 55 government owned restaurants in all over Syria, majority of which are those inside of government owned hotels.

A variety of restaurants is found in major cities: Damascus, Aleppo and Latakia. However, the lack of information (location and opening hours) and publicity is recognized.

In most cases, package tour tourists take two meals at hotel restaurants and one meal at local restaurants because of individual hotels' policies. According to the hearing from tour operators, the average spending by a package tour tourist to hotel restaurants and to local restaurants are approximately US$ 20 and US$ 8 respectively. The annual spending by package tours is therefore estimated as (US$ 28) x (Total Tourist-Nights). Using the figures shown above, the annual spending by package tour tourists on restaurant meals is estimated at US$ 20.8 million. The annual package tourist spending to local restaurants and hotel restaurants are US$ 5.9 million and US$ 14.9 million respectively. The average tourist spending to a local restaurant is US$ 10.2 thousand. Because package tour tourists use only hotel restaurants and some selected local restaurants, impacts of OECD tourists' spending on local restaurants however remain limited.

(4) Souvenir Shops

In major cities the traditional market "souq", composed of many shops of different kind including souvenir, jewelry, local product, food, public bath (hammam), etc. is well developed and of great interest for foreign and Arab tourists.

MOT created handicraft souqs in Damascus and Aleppo by restoring historical buildings and is planning to create more in other cities. The effort should be encouraged. However, more consideration for the sequence with existing urban fabric should be taken into account so that they are easily accessible by foreign tourists.

Besides the MOT's handicraft souqs, most of the souvenir retailers are owned by local businessmen. They are controlled and regulated by the Chamber of Commerce and the Ministry of Internal Trade. Although there is no special license required for establishing souvenir shops, shop owners must register as businessmen with the Chamber of Commerce.

The average spending by a package tour tourist is calculated at SP 800 (US$ 17.8) per night per person from the results of the market survey conducted by the Study Team. Data used for this calculation are 170 answers by package tour tourists and each of them states the total amount of spending and its appropriation. Using this figure, the annual total spending by package tour tourists is estimated at approximately US$ 13.2 million to the souvenir retail industry. Shopping is usually included in package tours and the range of shops used by package tours is limited.

As the tourism in Syria inclines much towards package tours from OECD countries and holiday tours from GCC countries, touring of souqs by individual tourists is not regarded as an important tourism attraction. The direct economic benefit from the individual walking tour in souqs is therefore limited for the moment.

(5) Hotels

According to the results of the hearing from tour operators, the average cost of hotel accommodation in the case of average package tours is approximately US$ 30 per person per night. The annual total package tourist spending for hotel accommodation is therefore US$ 22.2 million. Because the estimated annual total package tourist spending for hotel restaurants is about US$ 14.9 million, the annual total package tourist spending for entire hotel services in Syria is estimated approximately at US$ 37.1 million. Namely, two third of the local proportion of the package tour price is paid to hotels.

(6) Spread Effect of Package Tourist Spending

By a linear regression analysis of the national disposable incomes and the national final consumption expenditures between 1988 and 1995 shown in Table A4.5.4, the following regression equation is obtained:

$$Y = 0.737633264X + 44537.8437 \quad (R2: 0.975,\ F: 230.8,\ t: 15.2)$$

Both the F-test and t-test verify the significance of this equation. The marginal propensity to consume (mpc) in Syria is the coefficient of x, i.e. 0.738, and therefore the theoretical investment multiplier is estimated at 3.817 (1/(1-mpc)).

Table A4.5.4 Disposable incomes and Final Consumption Expenditures

	1988	1989	1990	1991	1992	1993	1994	1995
Disposable income (x)	181,980	200,151	256,875	300,226	360,745	398,994	501,276	550,398
Final consumption expenditure (Y)	177,212	175,150	222,891	279,465	327,783	360,237	413,150	429,382

Unit: SP million
Source: Statistical Abstract, 1996

The estimated annual total income of each tourism industry component from the package tourist spending is summarized in Table A4.5.5. The annual total package tourist spending is estimated at US$ 74.8 million. The spread effect of the annual total package tourist spending is therefore estimated at US$ 285.5 million not considering the leakage to abroad.

Table A4.5.5 Estimated Structure of Inbound Package Tour Market in Syria

Component	Annual Income from PT (US$ million)	Inside/Outside of Tour Prices
Tour Operators	3.9	Inside
Tour Guides	1.2	Inside
Hotels	37.1	Inside
Local Restaurants	5.9	Outside
Souvenir Shops	13.2	Outside
Others	13.5	Inside
TOTAL	74.8	-

Source: JICA Study Team

The Study Team also estimated the spread effects of the package tourist spending by analyzing income and expenditure structures of the major components in the tourism industry, with consideration of the leakage to abroad.

The following three stages are considered in order to estimate spread economic effects:

1) direct spending by tourists or their agents;
2) local part of expenditures of costs by the tourism industry components to suppliers of goods and services and consumption from their value-added; and
3) local part of expenditures of costs by the suppliers to their sub-suppliers of goods and services and consumption from their value-added.

The analysis was conducted based on the following assumptions:

- Provisional multipliers of the tourism industry components are estimated as: ([direct tourist spending] + [consumption and local part of expenditure of costs in the second stage] + [consumption and local part of expenditure of costs in the third stage]) / [direct tourist spending].
- Spread effects of the value added, which includes personnel expenses and profits, are incorporated only once as consumption from the value added, although part of the

value added may be spent for investment.

- All part of the tourist spending for tour guides, tips, taxes and entrance fees is considered as value added.
- The average propensity to consume: [final national consumption expenditure in 1995] / [national disposable income in 1995] = 0.78, is applied as the consumption ratio to the total value added.
- Due to information insufficiency, the ratios between costs and value-added and the shares of local components could not be estimated precisely especially in the third stage. Therefore, these figures should be determined conservatively with consideration of characteristics of expenditure items and the ratio of the average annual leakage to abroad (12.3% in 1995), defined as: [total imports] / [total final consumption].
- The provisional multiplier of the tourism industry as a whole is estimated as the weighted mean of all the provisional multipliers of the tourism industry components.

Table A4.5.6 illustrates the results of this analysis. The provisional multiplier of the tourism industry as a whole is obtained as 2.087. Using this figure, the spread effect of the package tourist spending is estimated at US$ 156.1 million.

Table A4.5.6 Provisional Multipliers of Tourism Industry in Syria

	distribution	multiplier	impact
Hotel (Accommodation & Meal)	0.487	2.056	1.001
Restaurant	0.075	2.403	0.180
Transport	0.075	2.272	0.170
Souvenir Shops	0.159	2.205	0.351
Tour Operator	0.051	2.195	0.112
Tour Guide	0.014	1.780	0.025
Government Revenue(TAX&EF) & Tips	0.139	1.780	0.247
TOTAL	1.000		2.087

Source: JICA Study Team

Table A4.5.7 shows the results of the spread effect analysis and Table A4.5.8 to A4.5.12 show the breakdown by categories of tourism industry.

Table A4.5.7 Spread Effect of Package Tourist Spending

	multiplier	Benefit (US$ million)
Direct spending	1.000	74.8
Spread effect		
by theoretical multiplier	3.817	285.5
by provisional multiplier	2.087	156.1

Source: JICA Study Team

Table A4.5.8 Spread Effect Structure: Hotels

1st Stage Items	Ratio	2nd Stage Items	Ratio	Local	Impact	3rd Stage Items	Ratio	Local	Impact
Cost excl. payroll	0.521	Room division expenses	0.100	1.000	0.052	Value-added	0.300		0.012
						Cost	0.700	0.700	0.026
		F & B division expenses	0.392	1.000	0.204	Value-added	0.150		0.024
						Cost	0.850	0.800	0.139
		Communication expenses	0.061	1.000	0.032	Value-added	0.100		0.002
						Cost	0.900	0.500	0.014
		Operating division expenses	0.017	1.000	0.009	Value-added	0.300		0.002
						Cost	0.700	0.750	0.005
		Overhead division expenses	0.17	0.500	0.047	Value-added	0.300		0.011
						Cost	0.700	0.600	0.020
		Capital expenses	0.001	1.000	0.001	Value-added	0.400		0.000
						Cost	0.600	0.800	0.000
		Replacement reserve	0.115	1.000	0.060	Value-added	0.150		0.007
						Cost	0.850	0.200	0.010
		Depreciation	0.010	1.000	0.005	Value-added	0.150		0.001
						Cost	0.850	0.200	0.001
		Management fee	0.125	0.000	0.000				
Value-added	0.479	Consumption			0.374				
Sub-total	1.000				0.783				0.274
TOTAL									2.056

Source: JICA Study Team

Table A4.5.9 Spread Effect Structure: Restaurants

1st Stage Items	Ratio	2nd Stage Items	Ratio	Local	Impact	3rd Stage Items	Ratio	Local	Impact
Cost excl. payroll	0.650	Goods purchase	0.615	1.000	0.400	Value-added	0.150		0.047
						Cost	0.850	0.800	0.272
		Other expenses	0.385	1.000	0.250	Value-added	0.250		0.049
						Cost	0.750	0.600	0.113
Value-added	0.350	Consumption			0.273				
Sub-total	1.000				0.923				0.480
TOTAL									2.403

Source: JICA Study Team

Table A4.5.10 Spread Effect Structure: Tour Operators

1st Stage Items	Ratio	2nd Stage Items	Ratio	Local	Impact	3rd Stage Items	Ratio	Local	Impact
Cost excl. payroll	0.652	Insurance	0.011	1.000	0.007	Value-added	0.200		0.001
						Cost	0.800	0.800	0.004
		Office rent	0.051	1.000	0.033	Value-added	0.150		0.004
						Cost	0.850	0.700	0.020
		Stationary, prints	0.066	1.000	0.043	Value-added	0.200		0.007
						Cost	0.800	0.250	0.009
		Fuel, electricity	0.031	1.000	0.020	Value-added	0.100		0.002
						Cost	0.900	0.500	0.009
		Communication	0.511	1.000	0.333	Value-added	0.100		0.026
						Cost	0.900	0.500	0.150
		Transport, travel	0.137	0.500	0.045	Value-added	0.250		0.009
						Cost	0.750	0.800	0.027
		Maintenance	0.041	1.000	0.027	Value-added	0.300		0.006
						Cost	0.700	0.750	0.014
		Membership, registration	0.008	0.100	0.001	Value-added	0.250		0.000
						Cost	0.750	0.900	0.000
		Gift, advertisement	0.009	0.500	0.003	Value-added	0.200		0.000
						Cost	0.800	0.800	0.002
		Transaction fees	0.009	1.000	0.006	Value-added	0.200		0.001
						Cost	0.800	0.800	0.004
		Depreciation of equipment	0.103	1.000	0.067	Value-added	0.150		0.008
						Cost	0.850	0.200	0.011
		Other expenses	0.025	1.000	0.016	Value-added	0.250		0.003
						Cost	0.750	0.600	0.007
Value-added	0.348	Consumption			0.271				
Sub-total	1.000				0.871				0.324
TOTAL									2.195

Source: JICA Study Team

Table A4.5.11 Spread Effect Structure: Transport Service Providers

1st Stage Items	Ratio	2nd Stage Items	Ratio	Local	Impact	3rd Stage Items	Ratio	Local	Impact
Cost excl. payroll	0.842	Fuel	0.290	1.000	0.244	Value-added	0.100		0.019
						Cost	0.900	0.500	0.110
		Depreciation of equipment	0.120	1.000	0.101	Value-added	0.150		0.012
						Cost	0.850	0.100	0.009
		Other expenses	0.590	0.800	0.397	Value-added	0.250		0.077
						Cost	0.750	0.600	0.179
Value-added	0.158	Consumption			0.123				
Sub-total	1.000				0.866				0.406
TOTAL									2.272

Source: JICA Study Team

Table A4.5.12 Spread Effect Structure: Souvenir Shops

1st Stage Items	Ratio	2nd Stage Items	Ratio	Local	Impact	3rd Stage Items	Ratio	Local	Impact
Cost excl. payroll	0.640	Goods purchase (Carpet)	0.062	0.000	0.000				
		Goods purchase (Silver)	0.031	0.700	0.014	Value-added	0.200		0.002
						Cost	0.900	0.750	0.009
		Goods purchase (Glass)	0.031	0.800	0.016	Value-added	0.300		0.004
						Cost	0.700	0.750	0.008
		Goods purchase (Others)	0.375	1.000	0.240	Value-added	0.300		0.056
						Cost	0.700	0.750	0.126
		Office rent	0.050	1.000	0.032	Value-added	0.150		0.004
						Cost	0.850	0.700	0.019
		Communication	0.062	1.000	0.040	Value-added	0.100		0.003
						Cost	0.900	0.500	0.018
		Utilities	0.038	0.800	0.019	Value-added	0.250		0.004
						Cost	0.750	0.700	0.010
		Insurance	0.013	1.000	0.008	Value-added	0.200		0.001
						Cost	0.800	0.800	0.005
		Other expenses	0.338	0.800	0.173	Value-added	0.250		0.034
						Cost	0.750	0.600	0.078
Value added	0.360	Consumption			0.281				
Sub-total	1.000				0.823				0.382
TOTAL									2.205

Source: JICA Study Team

A4.5.2 Institutional Issues

(1) Legal and Institutional Obligations

Activities of travel and tourist agents are specified by the Law No. 458 of 1957. The joint venture tour operators, who are given various concessional privileges, are obligated to receive an officer from MOT to the Board of Directors and to make periodical reports to MOT. All tour operators are obligated to report to MOT on all package tours which include eight or more tourists. Although there is no governmental price control on tour operations, SATTA resolved a minimum profit rate at 7 percent on 27th March 1997 in order to avoid excessive competition. It has been in effect since 1 April 1997. Some tour operators said that this regulation spoils environment of competition and therefore may weaken the competitiveness of the Syrian tourism industry in the international tourism market.

Tour guides are administered by MOT based on the Law No. 401 of 1957. The law specifies the activities of the tour guides and the license insurance schemes. There is no governmental price control on tour guide services. With regard to the administration of tour guides, MOT should make efforts to manage the following:

- registration of tour guides with consideration of the actual supply of tour guides;
- effective quality improvement measures;
- measures enabling tourists to identify skilled and reliable tour guides; and
- measures against seasonality (i.e. low income in low seasons and future possible shortage of guides in high seasons).

Restaurants are licensed by MOT. MOT classifies them by 5 categories from 5-star to 1-star, and provides license controls including facilities standards, and prices, according to the classification. The current classification criteria are not clear and the classification may not reflect actual standards of restaurants. Prices of major menu items, except those for 5-star restaurants, are also controlled by MOT. Benefits of the price control however can not be observed. It is therefore recommended to abolish the current classification and price control systems. MOT should play an important role rather by upgrading database on restaurants including more demanded information and providing more useful information through the Tourist Information or other media to both domestic and international customers.

Hotel operations are also licensed by MOT. MOT classifies hotels by 6 categories from 5-star (international) to 1-star (3rd class) and hostel, and provides license controls including facilities standards, and prices, according to the classification. Room rates and charges for some additional services are determined by the government except for 5-star hotels. Room rates and charges for the government owned 5-star hotels are decided by each contract. Based on their own policies, individual hotels usually oblige tour operators to have two meals per night for package tours. Tour operators claim that tourists can enjoy more attractions including fine local restaurants without the two-meal obligation.

Souvenir retailers are controlled or regulated by the Chamber of Commerce and the Ministry of Internal Trade. Although there is no special license required for establishing souvenir shops, shop owners must register as businessmen with the Chamber of Commerce and receive ID cards. They are classified according to firm scales. Profit rates to costs of goods are specified by the Chamber of Commerce, and the specified recommended profit rates are authorized by the Ministry of Internal Trade later, except for gold works. The profit rates set by the Ministry of Internal Trade often are not introduced practically for competition. In order to promote development of varieties of better souvenirs, MOT should cooperate with the Chamber of Commerce and the Ministry of Internal Trade.

Some tour operators claimed that price controls and other unnecessary regulations should be abolished for the fair competition.

(2) Trade Association

SATTA was established in 1963 based on the Decree No. 755. The SATTA's major functions and activities are:

- keeping up the standards of services rendered by the member agencies;
- acting as a professional court, dealing in matters and difference between agencies and carriers or MOT; and
- representing Syria in international tourism conferences and organizations.

Tourist and travel agents are required to register with SATTA. SATTA also provides employee ID cards to all the employees working for the registered agents.

As mentioned above, SATTA set a minimum profit rate at 7 percent in order to avoid excessive competition among its members. If a company violate this article, SATTA may disqualify its membership. The disqualification of the membership means the suspension of operation, because no one can operate a tourist and travel agent in Syria without SATTA membership by Law.

Trade associations for components of the tourism industry other than travel agents are not currently organized. A trade association for hotels and restaurants exists but it is not active at present. An association for tour guides has just been established in 1997. There exists also Artisan Union. Souvenir retailers do not have a trade association, but the chamber of commerce is responsible for setting recommended prices, which are authorized by the Ministry of Internal Trade later, and issuing ID cards to shop owners.

Establishment and vitalization of trade associations can be recommended to secure collective economies of scale. Collective economies of scale can be realized if a trade association works to provide education and training based on commonly accumulated information and experience and to provide promotional activities, for example. Trade associations however sometimes work to reduce competitions and to increase rigidity. In such cases, trade associations may hamper the maturation of the industry. Equality among agents should be given by providing equal opportunities and environment of fair competition rather than constraining by regulations.

(3) Finance

Largely because outward capital transfer and profit remittance are prohibited, any little foreign investment has been observed in the tourism industry. All the finance to the tourism industry is made by the public sector and local private entrepreneurs. In order to stimulate foreign investment into the tourism sector, modification of the Decision No. 186 or the incorporation of the tourism sector into the Law No. 10 must be done.

Local private companies also face difficulty in foreign exchange savings and outward money transfers. They must obtain authorization by the Minister of Economy to send any amount of foreign exchange to outside Syria. Furthermore, hard currency can be only transferred into and from a foreign exchange account held by a local entrepreneur. It can not be withdrawn directly from the account. A tour operator claims that the foreign exchange account problem is one of the most serious constraints to private companies in the tourism sector.

A4.6 Human Resources

A4.6.1 Labor Force and Employment in the Tourism Sector

Total number of employment in Syria was 3,318,919 in 1994 a shown in Table A4.6.1. Women employment is still limited at about 16 percent of the total employment. The rate of unemployment is estimated at about 7 percent, actual figure of which may be higher if considerable underemployment is included.

Including agriculture sector primary industries absorb 27.8 percent of the total employment, secondary industries 25.1 percent and tertiary industries 47.1 percent. Still now, a high proportion of people work in the agriculture sector in comparison with other countries of similar stage of development.

Number of employment related to the tourism sector such as wholesale, retail trade, restaurant and transport, storage and communication was 573,104 (17.2% of the total employment). It is estimated that at least 10 percent of the number work in tourism sector out of which about 80 percent works in private sector. In the public sector, MOT employs 1,602 staff and MOC employs 2,806.

Table A4.6.1 Number of Employees

Sector	Female	Male	Total	%
Agriculture, Forestry	294,050	630,224	924,274	27.8%
Mining, Quarrying	0	6,852	6,852	0.2%
Manufacturing	35,898	430,361	466,259	14.0%
Electricity, Gas, Water	766	8,067	8,833	0.3%
Construction	6,436	344,186	350,622	10.6%
Wholesale, Retail trade, Restaurant	10,345	374,580	402,925	12.1%
Transport, Storage, Communication	8,607	161,572	170,179	5.1%
Financing, Insurance	4,475	20,578	25,053	0.8%
Community, Social & Personal services	187,455	776,467	963,922	29.0%
total	548,032	2,752,887	3,318,919	100.0%

Source: Central Bureau of Statistics, 1995, Statistical Abstract 1996

Table A4.6.2 Number of Staff in MOT and MOC

	Female	Male	Total
Ministry of Tourism (MOT)	767	835	1,602
Ministry of Culture (MOC)	819	1,987	2,806
total	1,586	2,822	4,408

Source: MOT, MOC, 1997

A4.6.2 Training System

Training system to improve the quantity and quality of human resources in the tourism sector is classified into two categories; governmental training and private training.

In the governmental training, there exist a Hotel and Tourism Training Center (HTTC) in Dummar under MOT and three institutes under jointly MOT and Ministry of Higher Education (MHE) at college-level (two years education). In addition, there are 10 hotel schools as high school level (three years education) under MOT and MHE. As shown in Table 5.6.3, total numbers of students and graduates in 1995 of HTTC were 576 (female : male = 126 : 450) and 235 (female : male = 48 : 187) , respectively. Likewise, total numbers of students and graduates in three institutes were 715 (169 : 546) and 340 (141 : 199) and those of 6 hotel schools were 712 (153 : 559) and 71 (8 : 63), respectively.

Table A4.6.3 Hotel and Tourism Training Center in Dummar

	Graduates			Students		
	Female	Male	Total	Female	Male	Total
1985	12	109	121	37	207	244
1986	14	49	63	53	165	218
1987	-	-	-	-	-	-
1988	81	90	171	139	313	452
1989	28	129	157	103	369	462
1990	16	132	148	109	426	535
1991	48	163	211	104	418	522
1992	36	161	197	115	390	505
1993	34	128	162	90	500	590
1994	48	197	245	126	540	666
1995	48	187	235	126	450	576

Source: Central Bureau of Statistics, 1995, Statistical Abstract 1996

HTTC was originally established under the cooperation of ILO and WTO in 1976. The center has two departments, hotel department and tourism department with 7 study courses of reception, kitchen chefs, bar and restaurant, housekeeping, travel agencies, tourist guide and hotel management. The point of study puts on practice rather than theory. The students study a foreign language, English or French, with a practical training in 3, 4 or 5 star hotels and restaurants or travel agencies during the three-month long summer vacation. They can study Japanese from a member of Japan Overseas Cooperation Volunteers (JOCV) as an additional subject since 1995. Besides, the center has a 2-3 months training course mainly for staff of MOT, other related ministries and private sector.

Three institutes are Hotel Institute for Tourist Science (HITS) in Damascus, Aleppo Hotel Institutes (AHI) and Latakia Hotel Institute (LHI). New institutes are planned to be established in Tartous and Homs within a few years. HITS, AHI and LHI have lower reputations compared with HTTC. They were established by the Syrian State in 1987. The point of study puts on general theory of tourism in HITS and on practice concerning hotel work in AHI and LHI. The students study both English and French and take a practical training in 3, 4 or 5 star hotels and restaurants or travel agencies for a month during holiday.

10 hotel schools are located in Damascus, Aleppo. Latakia, Hasake, Homs, Hama Tartous, Sweida, Dara'a, Idleb. In addition, hotel schools will be established in Raqqa, Palmyra, Damascus Countryside, Deir ez Zor, Quneitra in the near future. They have study courses for restaurant and kitchen. The students study general theory, practice and a foreign language, English or French. At 2nd grade, the students take 75 days on the job training in 3, 4 or 5 star hotels or restaurants.

Table A4.6.4 Hotel Institutes in Damascus, Aleppo and Latakia

	Graduates			Students		
	Female	Male	Total	Female	Male	Total
1990	25	86	111	132	441	573
1991	70	139	209	209	532	741
1992	63	186	249	210	665	875
1993	37	188	225	103	496	599
1994	60	201	261	158	402	560
1995	141	199	340	169	546	715

Note: Numbers above are the total of the both institutes.

Source: Central Bureau of Statistics, 1995, Statistical Abstract 1996

In addition to school education, a seminar for guide is carried out under MOT. MOT is responsible for tourist guide and gives guide license by Law 401 which was established in 1957. To be a guide, it is necessary to take the seminar where students study general subjects and field study on Syrian tourism for 45 days.

In archeological field, High Institute of Ruins and Museums (HIRM) was set up under DGAM of MOC. Total numbers of students and graduates of HIRM were 80 (female : male = 52 : 28), 32 (female: male = 19:13) respectively in 1995 as shown in Table 5.6.6.

In the private sector, most of the hotels and agencies have systems for their staff training such as new staff training, technical training, on the job training, training on hygiene and safety and so on. Some of them re-train periodically to keep up with up-to-date tourism. In the training, practical training is being emphasized more than the theoretical one. More government participation in training such as making manuals for tourism training, field training for new staff and introduction of training abroad is being requested by the private sector.

Table A4.6.5 High Institute of Ruins and Monuments

	Graduates			Students		
	Female	Male	Total	Female	Male	Total
1990	21	13	34	103	76	179
1991	28	14	42	82	97	179
1992	57	35	92	78	82	160
1993	17	27	44	42	63	105
1994	106	102	208	18	7	25
1995	19	13	32	52	28	80

Source: Central Bureau of Statistics, 1995, Statistical Abstract 1996

A5.1 Administrative Systems

A5.1.1 Outline of the Government of Syria

The organization chart of the government administration is shown in Figure A5.1.1. The central government is headed by the President and supported by 3 Vice Presidents, the Prime Minister and 26 Ministers. It consists of the Prime Minister's Office and 26 ministries. Among them, MOT is the main government organization in charge of tourism.

Because tourism is influenced by various factors, most ministries have at least some relationship with tourism. Other ministries related to tourism are:

- Ministry of Culture (cultural affairs, museums and antiquities including excavation, preservation and development of historic heritage);
- Ministry of Communications (road construction, post and telecommunication);
- Ministry of Interior (passport, immigration and inspection);
- Ministry of Finance (custom)
- Ministry of Local Administration (Mohafazat, Cities, etc.);
- Ministry of Transport (railways, ports and shipping, airports and civil aviation, road transport);
- Ministry of Housing and Utilities (tap water and sewerage);
- General Commission for Environment Affairs (environment affairs).

A5.1.2 Ministry of Tourism (MOT)

MOT was established in 1972 based on the Legislative Decree No. 41 of 1972, under the background of progress in international tourism in the 1960s and 70s, to take over the task of the Public Establishment for Tourism founded in 1966. About 260 staff are working at the central ministry, and about 700 at regional branches.

An organization chart of MOT is presented in Figure A5.1.2. About 1,500 staff are working at the central ministry and regional branch offices. There are two Deputy Ministers under the Minister, and 9 Directorates are sharing the work of the Ministry as follows:

- Directorate of Minister's Office: secretarial work for the Minister;
- Directorate of Interior Control: interior supervision;
- Directorate of Administration, Financial and Legal Affairs: the secretariat including ordinary budget;
- Directorate of Tourist Relation: Promotion through embassy, Syrian Arab Airlines (RB), direct tourist services;
- Directorate of Promotion: promotion through travel agents;
- Directorate of Service: regulation and supervision of private companies;
- Directorate of Planning: statistics, research, study, project formation, investment planning, investment budget;
- Directorate of Investment: supervision of the management of government projects; and
- Directorate of Education and Training: work concerning intermediate training institutes and hotel schools.

In addition, there are two General Commissions: the General Commission for Execution of Tourism Projects and the General Commission for Tourism and Hotel Training.

The objective of MOT, according to Article 3 of the Legislative Decree mentioned above, is to propel and promote internal and external tourist through tourist marketing and services and the establishment and direct/indirect investment in tourism facilities directly or through tourism companies and institutions. Specifically to:

- provide information and promotion for the country's natural qualities, cultural heritage and tourist sites both inside and outside;
- enter into and supervise the implementation of tourist agreement;
- found, advertise and provide promotion for tourist and summer and winter recreation centers;
- attend to tourist sites including summer and winter recreation centers, arrange for their easy accessibility, promote tourist and Syrian visits to them and supply all means of comfort and tourist services to visitors;
- systemize the occupation of tourist guide and supervise the activities of guides under the laws in force and hold courses for upgrading, better information and training into correct conduct with tourists, attend similarly to other tourist-related occupations.

In order to achieve the objectives mentioned above, MOT is empowered to found establishments and companies for the construction, management and operation of tourist facilities solely or in joint venture. MOT is also given authority to assign tourist status to accommodation facilities, restaurants and shops of tourism nature, to centralize the administration concerning tourism. Classification restriction for hotel and restaurants, licensing for travel and tourist agents and tourist guides, and supervision to these facilities, companies and guides are responsibility of MOT as well.

A5.1.3 General Commissions under MOT

(1) General Commission for Execution of Tourism Projects (GCETP)

GCETP is a public corporation, independent from yet under the supervision of MOT, established in 1974 based on the Legislative Decree No. 59 of 1974. It is headed by the Director General, and there are two Deputy Director Generals and 13 Directors. The organizational structure of GCETP is shown in Figure A5.1.3. About 460 staff are working at the central commission and about 220 at regional branches, most of them are engineers.

The responsibility of GCETP is to implement and supervise the execution of tourism related construction projects, specifically to:

- supervise technical, legal and financial aspects of implementation of tourist establishments covered under MOT plan or any projects of touristic character as may be assigned thereto by other public institutions;
- provide technical opinion on designs and plans developed by other companies and individuals performing construction work of touristic nature, subject to municipal construction regulations in force;
- develop the technical and financial specifications for subsequent bidders to projects to be supervised by the GCETP;
- perform technical studies as necessary for the advancement and expansion of tourist establishments, etc.

Major works of GCETP was construction of government owned hotels. Recently, development of tourist information offices, development of lighting facilities of archeological sites and restoration of old building for restaurant use are its main tasks, as well as the repair and maintenance work of government owned hotels.

GCETP is permitted to carry out tenders, to make contract operation and to implement the work in trust, in case that the price does not exceed SP 100,000 (When it exceeds 100,000 SP, an approval of MOT is necessary). The contractor of design work is usually selected through design competition of 3-4 design companies nominated by GCETP. The committee consists of GCETP, Engineering Union, representatives from construction and design companies and other related agencies, which is organized for this purpose, is responsible for selection of design. Successful contractor continue its work for modifying the design in every details. Others finish their work after getting appropriate compensation. The contractor of construction works is decided by tender. Different committee is organized again for selection of a successful bidder. Construction works by successful contractor shall be done under the on-site supervision by GCETP staff.

(2) General Commission for Tourism and Hotel Training (GCTHT)

GCTHT is also a public corporation, independent from yet under the supervision of MOT, established in 1978 based on the Law No. 48 of 1978. It is headed by the Director General and an administrative committee including the Director General as a member to supervise the activity and layout the general policy plan of GCTHT.

The purpose of GCTHT is to train the necessary personnel for management and service in the various tourist establishments and companies. For that purpose, GCTHT has a Hotel Training Center in Dummar, Damascus. The GCTHT, however, is not responsible for Hotel Schools and Intermediate Institutes on hotels and tourism, which is under the Directorate of Education and Training of the central ministry.

Figure A5.1.1 Organization Structure of the Government of Syria

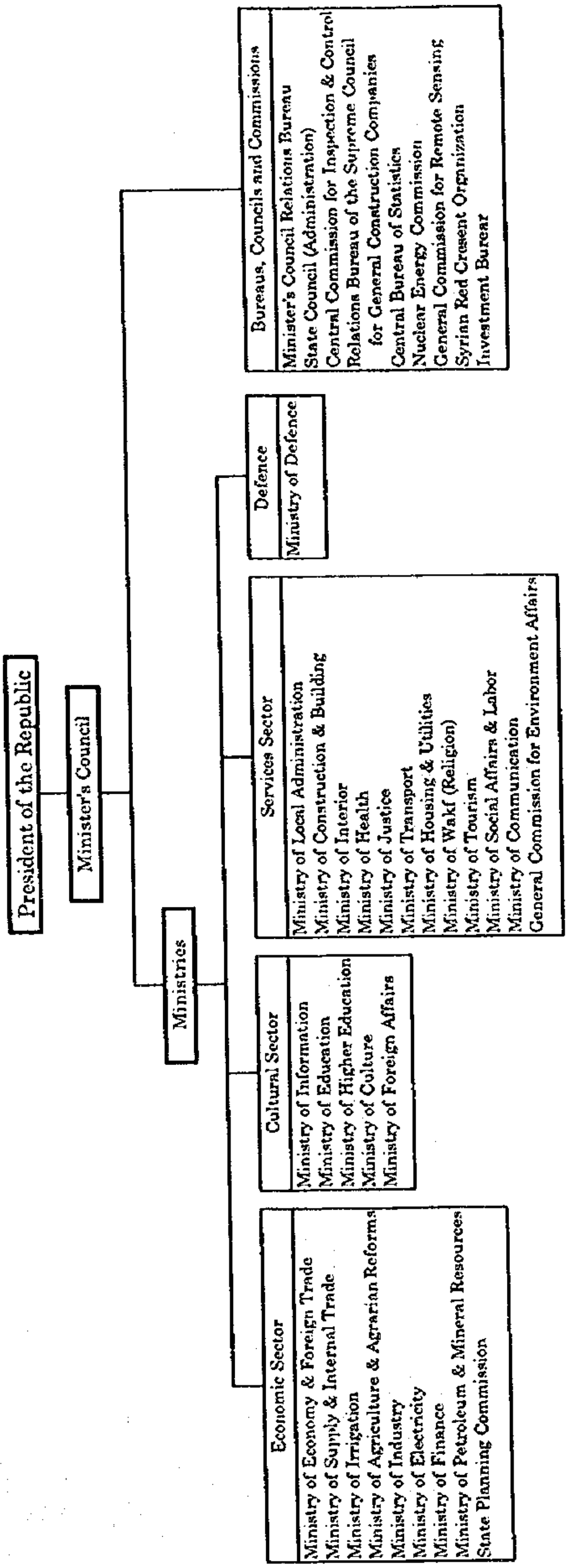
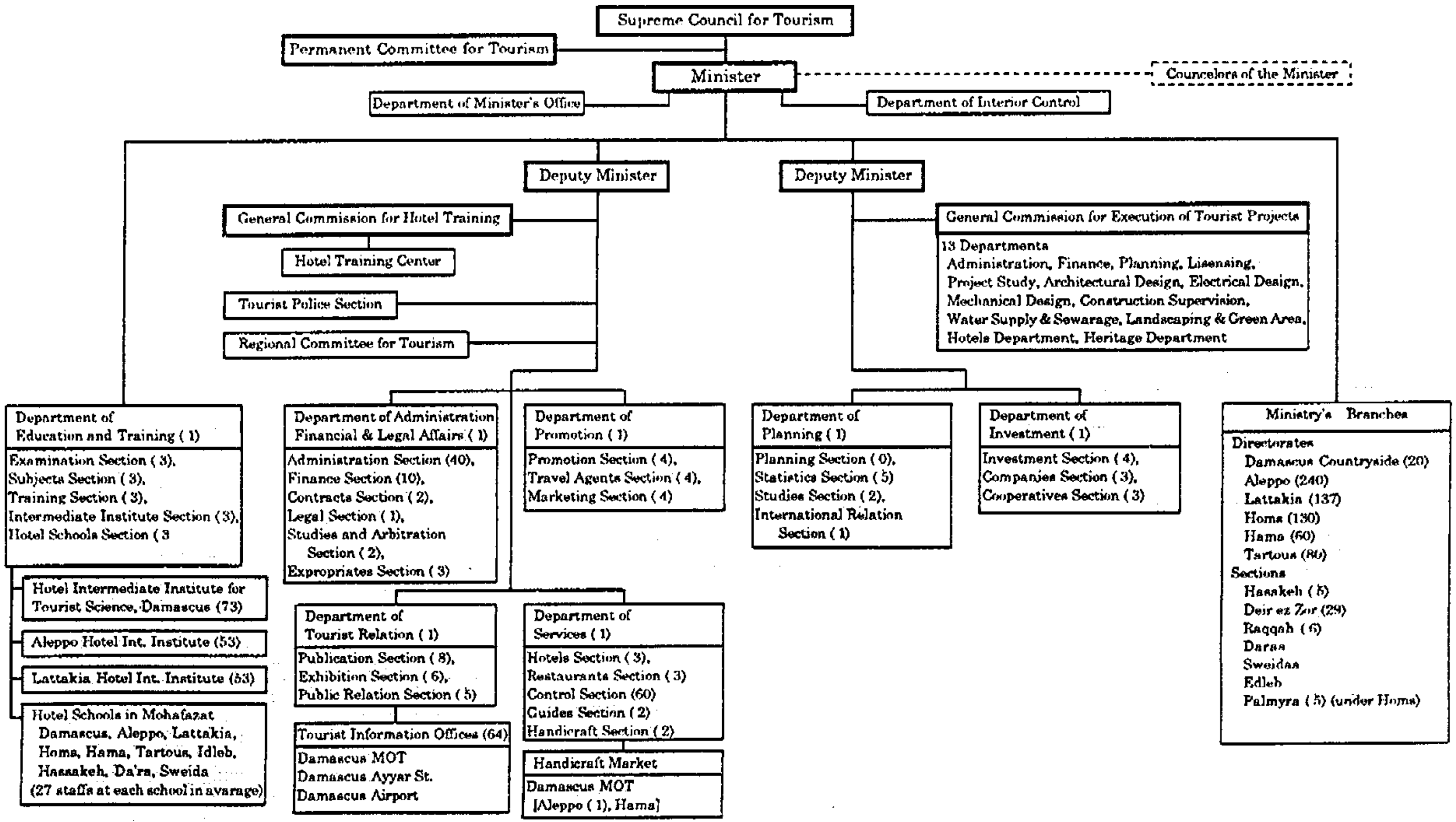
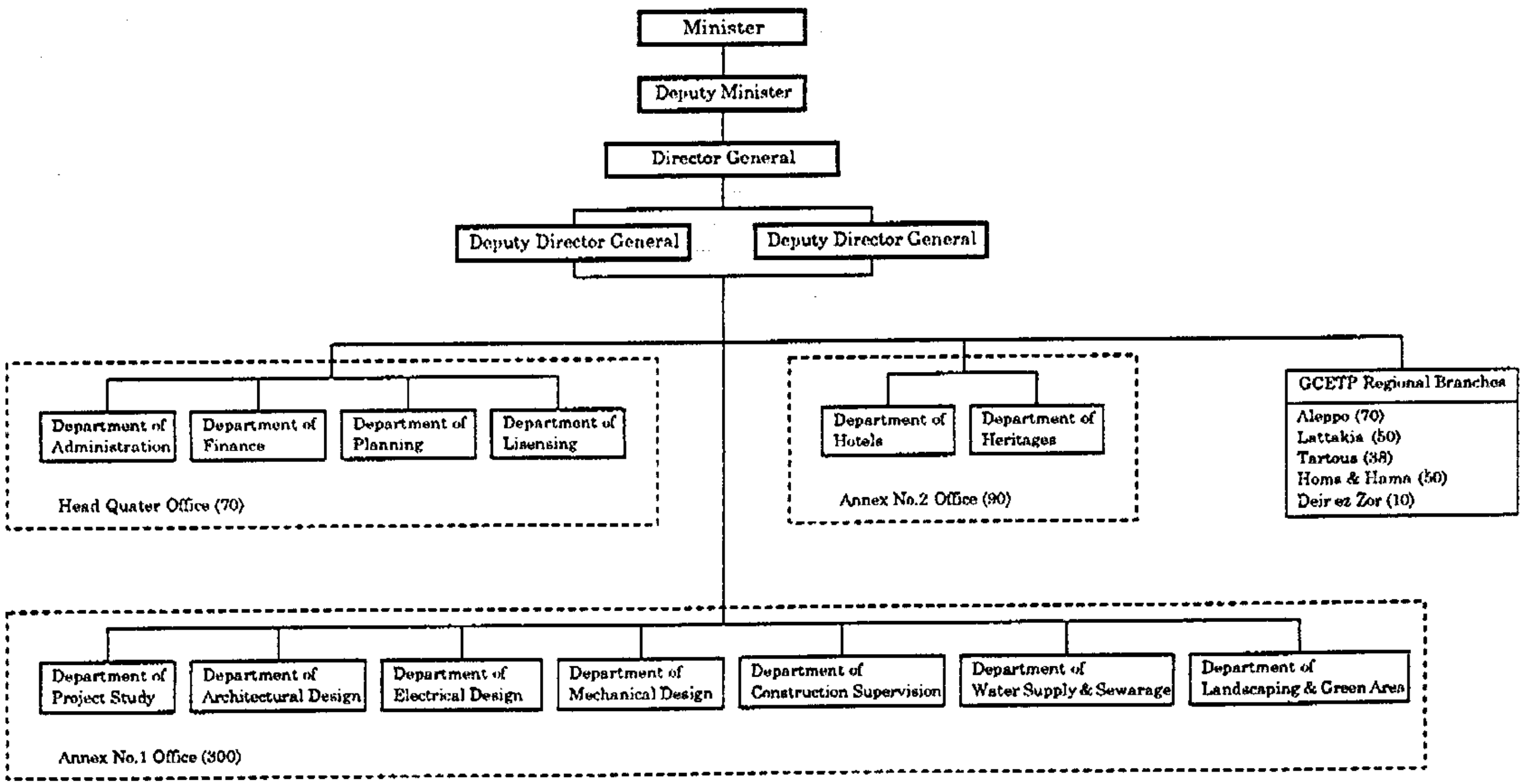


Figure A5.1.2 Organization Structure of the Ministry of Tourism



note: Inside of ( ) indicate the number of personnel of the Section
Intermediate Institute in Tartous, Hotel School in Damascus Countryside, Rakka and Deir ez Zor start their operation in Sep. 1997, Intermediate Institute in Homs will in Sep. 1998.
Regional branch office also plays a role of tourist information office, located basecally in each Mohafazat, but Damascus City is directly administerated by the central Ministry.
Tourist information offices in Aleppo Handicraft Market and Aleppo Airport are under Aleppo Directorate, 2 tourist information offices in borders are under branch offices.
Handicraft Market in Aleppo is under Aleppo Directorate, that in Hama is under Hama Directorate.

Figure A5.1.3 Organization Structure of GCETP (General Commission for Excution of Tourism Projects)



note: Inside of ( ) indicate the number of Engineers

A5.1.4 Supreme Council and Committees for Tourism

The Legislative Decree No. 41 of 1972 stipulates the establishment of the Supreme Council for Tourism. It is headed by the Prime Minister as a chairman and the Minister of Tourism as a vice-chairman and includes the following participating members:

- the Minister of Culture;
- the Minister of Supply and Internal Trade;
- the Minister of Local Administration;
- the Minister of Interior;
- the Minister of Finance;
- the Minister of Economy and Foreign Trade;
- the Minister of Transport;
- the Minister of Information.

The Deputy Minister of Tourism play a role of reporter. There are no members from the private companies and their associations. Supreme Council is held whenever necessary, usually at 8 to 12 times a year, but more in case there are many things to discuss. The council is to settle all issues and arrangements related to tourism including long-term and short term tourism development plan and the establishment of public corporations or companies related to tourism.

There is a Permanent Committee for Tourism under the Supreme Council, for studying issues presented to the Council, making recommendations to the Council and following up on the enforcement of Council decisions. The committee is chaired by the Deputy Prime Minister for Services, and members are Minister of Supply and Internal Trade, Minister of Local Administration, Minister of Economy and Foreign Trade and Minister and Deputy Minister of Tourism.

There is also a regional committee for tourism in each Mohafazat. Regional committee is headed by Governor of Mohafazat or Deputy Governor, and Director of MOT branch office, Director of DGAM branch office, etc. are its members.

A5.1.5 Directorate General of Antiquities and Museums (DGAM)

DGAM is established based on the Legislative Decree No. 88 for 1947 and No. 2176 for 1980 under Ministry of Culture. It is headed by the Director General, and its organizational structure is shown in Figure A5.1.4.

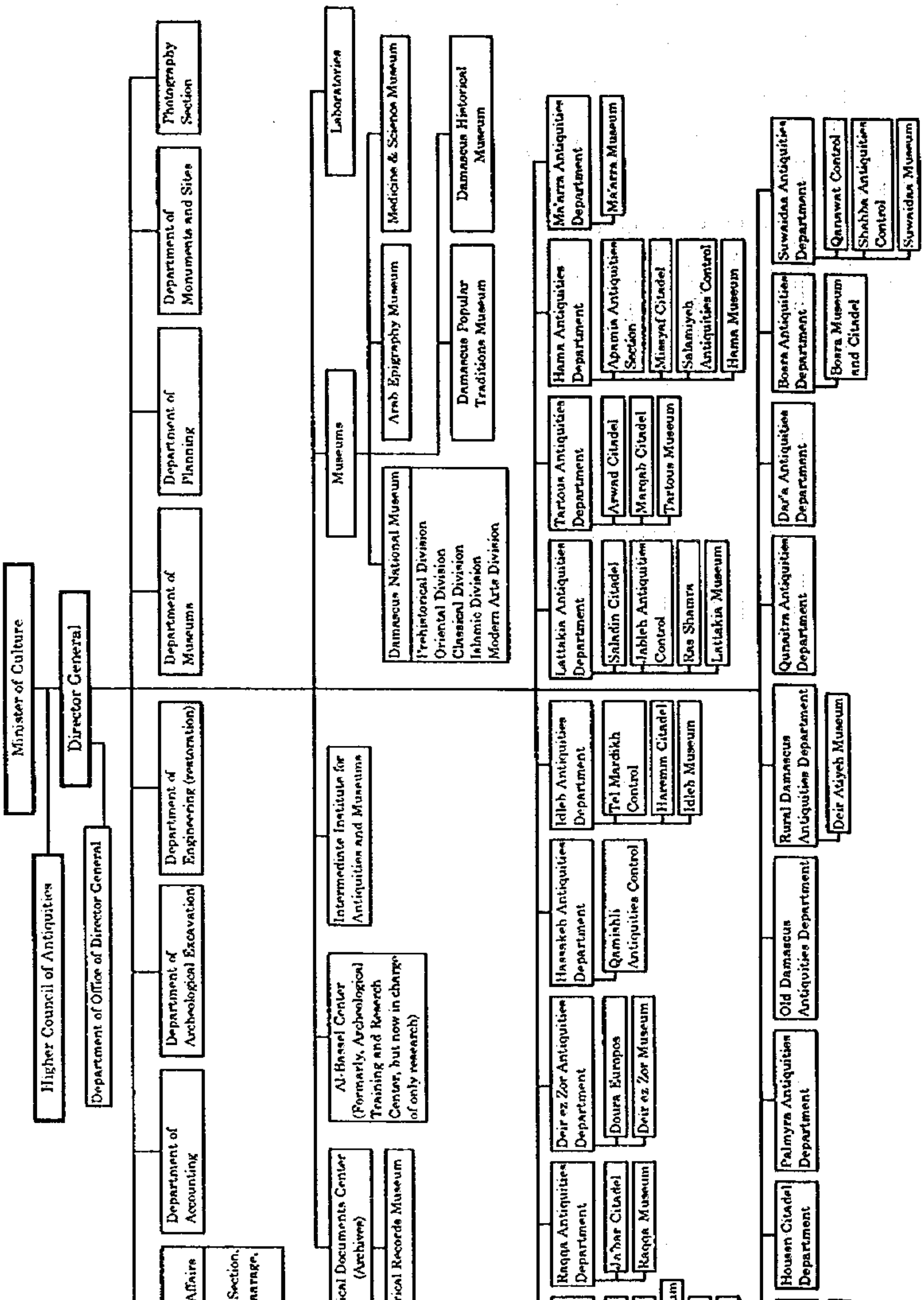
The responsibility of DGAM is to preserve, protect and explore for antiquities and museums administration, specifically to:

- sort, preserve and keep record of antiquities;
- explore antique and historical sites and compile data as applicable;
- safeguard and arrange for the preservation of antique buildings;
- build, manage and expand museums and build up their supply of antique and artistic worth;
- carry out archeological explorations and monitor explorations by authorized scientific missions;
- inspect and maintain record antiquities in individual possessions;
- pursue accidental archeological findings and compile and study antiquities uncovered as

such;
- control trade in and prevent the smuggling of antiquities;
- pursue offenses in the area of antiquities and file claims against offenders;
- develop archeological, historical and museum-care scientific research and issue periodicals and other publications thereon;
- preserve historical records and pamphlets being regarded as movable antiquities and thus covered under the Antiquities Law.

The measures taken by DGAM according to the General Antiquities Law are described in Section A4.2.

Figure A5.1.4 Organization Structure of DGAM



A5.1.6 Tourism-Related Government Funded Establishments

(1) SYRTEL and Cham Group

Syrian Arab Company for Tourist Establishments (SYRTEL) is a joint venture company of the government and private investors, established based on the Law No. 56 of 1977. 25 percent of its shares are held by the government and 75 percent by private sector. Its capital was SP 10 million when it was established, but later it was increased to SP 625 million. It is under the supervision of MOT.

The purpose of SYRTEL is to enhance and improve the tourist industry based on the economic and social development plans of the Syrian government. According to the Article 2 of the Law mentioned above, tasks of SYRTEL are to:

- procure, own, rent and lease tourism establishments including hotels, chalets, apartments, cinemas, cafes, restaurants, casinos;
- equip and prepare the mentioned tourism establishments for the reception of tourists and visitors;
- carry out any other activities as the Company Board deems necessary for the achievement of SYRTEL's purpose.

In addition, SYRTEL is free from taxes and restriction on import necessary for its projects and management, it can also enjoy the tax exemption for their profits for 7 years from its establishment (including the case that SYRTEL establishes a new company).

Board of Directors is organized to manage SYRTEL. The members are elected from shareholders and representatives from MOT. The General Manager of SYRTEL is appointed by the Board of Directors.

SYRTEL has established 9 subsidiary companies and these companies are called the Cham Group. They are:

- Cham Company for Hotels and Tourism;
- Latakia Company for Hotels and Tourism;
- Safita Company for Hotels and Tourism;
- Deir ez Zor Company for Hotels and Tourism;
- Bosra Company for Hotels and Tourism;
- Hama Company for Hotels and Tourism;
- Cham Company for the Management of Hotels and Tourism
  (Cham Palaces and Hotels);
- Cham Company for Hotels and Tourism Equipment and Maintenance
  (CHAMENT) (construction of hotels);
- Cham Tour Company (travel agent, rent a car, charter bus).

Among them Safita, Deir ez Zor and Bosra companies are the joint venture companies of SYRTEL and the government. Latakia, Hama and Cham Palace companies are those of SYRTEL and municipalities.

(2) TRANSTOUR and NAHAS Group

Syria Company for Transport and Tourism (TRANSTOUR) is a joint venture company of the government and private investors, established based on the Law No. 41 of 1978. 25 percent of its share are held by the government and 75 percent by private sector. The capital was SP 10 million when it was established, but now it is increased to SP 200 million. It is under the supervision of MOT.

The purpose of TRANSTOUR is to procure, own, manage and invest in means of tourist transport of all types for the systematic transport of incoming tourists, develop and schedule their visits to tourist sites and antiquities and enhance tourism in Syria. TRANSTOUR's profit is exempted from income tax on trade profit at maximum 5 percent of its capital. It has right to import vehicles and other necessary equipment without customs and fiscal taxation and duties.

Board of Directors is organized to manage TRANSTOUR. The members are elected from shareholders and representatives from MOT. The General Manager of TRANSTOUR is appointed by the Board of Directors.

TRANSTOUR holds 1,233 sedan cars for rent-a-car service, 70 Pullman buses and 24 Nissan microbuses. It is reported that the TRANSTOUR organized tours for 2,963 Europeans visited Syria last year, tours for Syrian citizens to Lebanon, Egypt, Turkey and Greece, and a liner service from Syria to Lebanon, Saudi Arabia, Kuwait, United Arab Emirates and Turkey accommodated 139,284 passengers in 1995. It also act as a travel agent and investor of tourism projects.

TRANSTOUR is also in charge of tourism facilities development in Mashta al Helou, Amrit and Saida Zainab. Amrit Co. for Tourism Investment & Development is the joint venture company with the capital of SP 235 million. MOT holds 25 percent share, TRANSTOUR holds 10 percent, Agico of Dubai holds 25 percent and other local and Arab shareholders hold 40 percent. Amrit Co. for Hotel Management is the other joint venture company, which is responsible for management and operation of Amrit Resort. Mashta al Helou Co. for Tourism & Health Resort is the other JV company with the capital of SP 20 million. MOT holds 42 percent share and TRANSTOUR holds 58 percent. Saida Zainab Co. is the JV company of private companies, TRANSTOUR holds its 12 percent share.

NAHAS enterprises group consists of NAHAS Travel & Tourism, TRANSTOUR, hotels and resort developing companies mentioned above, and 16 other companies in field of trade, services, automobiles, industry and agriculture.

(3) Other Establishments

The Karnak Corporation for Transport and Tourism, which is the public corporation under MOTR, plays a significant role in tourist transport by means of liner and charter buses. It also operate some hotels.

There are several other joint venture companies between MOT and private companies, such as Amrit Company for Investment and Tourism Development, Syrian Arab Company for Hotels and Tourism. In addition, the company for Bosra Cham Hotel, Safita Cham Hotel and Furat Cham Hotel are joint ventures with MOT and SYRTEL and Mashta al Helou Company is the joint venture with MOT and TRANSTOUR.

A5.2 Tourism Policies and Measures

A5.2.2 Tourism Related Budget

The government budget of Syria in 1996 was SP 188 billion, which is about 34 percent of

GDP (SP 552 billion in 1995).

The budget of MOT including General Commissions in 1997 is SP 375 million, almost the same amount as in 1996 (SP 353 million). Among them, development budget is the budget for Directorate of Planning allocated by SPC, while ordinary budget is the budget for Financial Manager allocated by Ministry of Finance. Hotel Revenue in revenue item is deeply related to tourism, which is the revenue from government owned hotels. It shows growing trends and reached SP 376 million, almost the same amount as MOT budget, in 1997. The amount of value added tax from tourists (hotels and restaurants) are not shown in revenue table as an independent item.

The budget of MOC in 1997 is SP 906 million, showing growing trends. Among them, budget for DGAM is SP 188 million, which shows rapid increase from 1994. Entrance fee of archeological sites and museums in revenue item also shows a rapid increase recently, due to raising the price of entrance fees and growing number of culture tourists.

Table A5.2.1 Trends of Tourism Related Budget

unit: SP million

	1987	1990	1992	1993	1994	1995	1996	1997
National Budget Total	41,703	61,875	93,042	123,018	144,162	162,040	188,050	211,125
Development	17,508	24,300	36,250	61,750	67,964	74,099	91,473	108,700
Ordinary	24,195	37,575	56,792	61,268	76,198	87,941	96,577	102,425
MOT Total	147	362	252	153	224	359	353	375
Development	N/A.	N/A.	172	53	84	158	133	147
Ordinary	N/A.	N/A.	80	100	140	201	220	228
MOT	N/A.	N/A.	141	77	128	271	273	264
Development	N/A.	N/A.	78	0	5	100	83	66
Ordinary	N/A.	N/A.	63	77	123	171	189	198
GCTHT	N/A.	N/A.	6	8	0	0	0	
GCETP	N/A.	N/A.	94	53	79	58	50	81
Intermediate Institutes	N/A.	N/A.	8	9	11	12	15	13
Hotel Schools	N/A.	N/A.	3	6	7	18	16	18
MOC Total	170	282	408	468	552	645	841	906
Development	N/A.	N/A.	215	240	255	278	383	420
Ordinary	N/A.	N/A.	193	228	297	367		486
MOC	N/A.	N/A.	243	288	338	375	479	528
Development	N/A.	N/A.	170	190	200	190	263	300
Ordinary	N/A.	N/A.	73	98	137	185	216	228
DGAM	N/A.	N/A.	73	80	94	135	172	188
Development	N/A.	N/A.	45	50	55	88	120	120
Ordinary	N/A.	N/A.	28	30	39	47	52	68
Int. Institutes A&M	N/A.	N/A.	1	1	1	3	1	3
Damascus International Fair (under MOEFT)	N/A.	N/A.	120	92	120	175	250	250
Hotel Revenue	93	190	227	276	311	325	300	376
Archeological Sites & Museums Entrance Fee	1	1	3	10	10	15	60	70

Source: Syria's Budget, ofa.

A5.2.3 Public Works by MOT

(1) Hotel Construction

Based on the Tourism Master Plan set forth in 1974, MOT has constructed government owned hotels mainly to satisfy the demand for 5-star hotels. GCETP has been in charge of construction of these hotels. After construction, MOT makes the management and operation contracts with hotel operators. Usually, fixed share of net profit by their operation, 80 percent to 87.5 percent by each contract, are gained as a government revenue. In addition, there are several government related hotels other than MOT and JV hotels (Table A5.1.2). It looks that the initial purpose of providing 5-star hotels has been accomplished.

Because of the government policy to encourage private investment, the Supreme Council for Tourism issued the Decision No. 100 of 1988, which authorized to halt the construction of hotels by government itself, and to encourage the construction of joint venture hotel construction by MOT and private investors. The Decision was applied to even to the hotels under construction, thus Dara'a Hotel and Idleb Hotel has been waiting investors to come for about 10 years, although the construction of their structure has been almost finished.

(2) Restaurant Construction

There are also government owned restaurants, 55 in all over Syria, majority of them are restaurants inside of government owned hotels. Recently MOT is active in restoration works of old buildings to convert them into tourist restaurants. One of the examples is the Marbakh al Ajami restaurant project in Aleppo.

(3) Other Public Works

Other public works done by MOT are lighting of archeological sites, countermeasures for flood, tourist park development, improvement of information center, development of camp sites such as Banias Camp and providing public utilities (road, water and electricity) concerning JV projects.

A5.2.4 Government Regulations on Tourism Industry

(1) Hotels

Hotel operations are licensed by MOT. MOT classifies hotels by 6 categories from 5-star (international) to 1-star (3rd class) and hostel, and license control including facility standards, prices, etc., is administered according to the classification. Purpose of classification is to protect tourists by guaranteeing service level. Room rates and charges for some additional services are decided by the government except for 5-star hotel, and the hotels have to follow the set price. In case of government owned 5-star hotels, prices are decided by each contract. MOT makes regular inspections to hotels, supervising facilities level, service level, etc.

Table A5.2.2 Hotel Price Regulation

A. Rooms

	4-star hotel		3-star hotel		2-star hotel				1-star hotel				hostel	
									Grade A		Grade B			
	US$	SP	US$	SP	US$	SP	US$	SP	w/ bath	without	w/ bath	without	w/ bath	without
single	70	1450	24	500	17	350	14	300	250	200	200	175	160	140
2 oersons for double or twin bed	80	1700	31	650	23	475	20	425	375	325	325	275	260	220
3 persons in one room			36	750	28	575	25	525	475	465	425	375	340	300
4 persons in one room					32	675	30	625	575	525	525	475	420	380
extra bed	12	250	8	175	4	125	4	125	75	75	75	75	75	75
breakfast	6		3		2	50	2	50	45		45		45	
jacuzzi	4	180	4	180										
hydro cater	4	180	4	180										
safe deposit	2	75	2	75										
satellite TV	2	75												
power lock	2	75	2	75										
iron/hairdryer	1	25	1	25										
TV & video	incl.	incl.	1.5	30	1.5	30	1.5	30	30		30			
TV			0.5	15	0.5	15	0.5	15	15		15			
mini-bar	incl.	incl.	1	25	1	25	1	25	25		25			
heating	incl.	incl.			1	25	1	25	25		25			
ventilation/air-condition	incl.	incl.			1	25	1	25	25		25			
outer bathroom					2	40	2	40	35		35			
color TV	incl.	incl.	1	20	1	20	1	20	20		20			
other services	1	25	1	25										
1 person for double or twin bed	70	1450	27	575	20	415	17	365	315	265	265	225	210	180
1 person for 3 bed room			30	625	22	465	20	415	365	315	315	275	250	220
2 person for 3 bed room			33	700	25	525	23	475	425	375	375	325	300	260
1 person for 4 bed room					25	515	22	465	415	365	365	325	290	260
2 person for 4 bed room					27	575	25	525	475	420	425	375	340	380
3 person for 4 bed room					30	625	27	575	525	475	475	425	380	340

B. Suites

	4-star		3-star	
	US$	SP	US$	SP
25 sq.m min. (equ. 1 person studio)	76	1600	31	650
35 sq.m min. (equ. 2 person studio)	86	1800	36	750
45 sq.m min. (equ. 2 rooms)	157	3300	43	900
55 sq.m min. (equ. 3 rooms)	183	3850	72	1500

Source: MOT

Incremen At 40% of room rates during and for two days before and two days after Lesser Bairam (Ramadan Feast), Greater Bairam (Hajj Feast), New Year's and Easter.
At 20% of room rates in tourist areas and Syrian coast from June until and through July.
Deductio At 25% room rates in US$, applicable only to tenant-signed bill.
At minimum 40% to tourist groups (in Decision No.84, March 7 1996)
At 25% of room rates in SP to member of people's council and information and state officials and workers on official assignment.
Rates in SP based on Decision No.360, July 25 1973
Rates in US$ based on Decision No.602, October 26 1995

(2) Restaurants

Restaurants are licensed by MOT. MOT classifies restaurants by 5 categories from 5-star to 1-star, and license control including facilities standards, prices, etc. is administered according to the classification. Purpose of classification is also to protect consumers (tourists) by guaranteeing service level. MOT decides the price of major menus by class (e.g. SP 80 for Kabab, 200g in case of 2-star), and all restaurants except 5-star have to keep the price. Restaurants have freedom, however, to create new menus which are not in MOT price list and to decide the price of such menus. MOT is taking regular inspections to restaurants, supervising facilities level, service level, etc.

(3) Travel and Tourist Agents

Travel and tourist agents are controlled according to the Law No. 458 of 1957. Travel and Tourist Agents defined by the Law are establishments carrying out travel and tourism work and services such as to:

1) sell or exchange travel tickets and provide luggage transport for passengers and make reservations for them in various means of transport;
2) reserve rooms in hotels, etc. for tourists;
3) organize individual and group trips;
4) facilitate currency exchange for tourists subject to currency regulations in effect;
5) transact insurance formalities for tourists with registered insurance companies in Syria;
6) sell ceremonial and entertainment tickets to tourists.

Above mentioned 1), 2) and 3) are allowed to the agents which are licensed by MOT, yet activities related to Hajji control are exempted from MOT control.

(4) Tourist Guides

Tourist Guides are controlled based on the Law No. 401 of 1957. The law define the tourist guide as a person who assists, escorts and guides tourists to the country's noteworthy facilities, antiquities, establishments and stores. Any person can not practice the profession of guide nor offer a guide's services unless after he/she obtains a license by MOT. The condition of license are:

1) having the Syrian nationality, with the exception of other Arab citizens on condition of similar treatment;
2) fully twenty-two years of age or older;
3) having no contagious diseases or illnesses or disabilities that may obstruct fulfilling his duties;
4) unconvicted in a crime on contrary terms to his/her profession's duties or for a discreditable offense;
5) making and advance payment in the amount of SP 100 to the national treasury as a deposit on penalties;
6) passing a group examination to be announced by MOT decision, wherein to determine the terms and conditions of the test and subjects and language to be examined;
7) obtaining prior approval from the Public Security Directorate in his/her district authorizing him/her to take up such practice.

Those who passed in the group examination shall be granted a license to work as tourist guides by MOT. Every guide has to wear a badge and ribbon while on work. The license card description, duration, terms of renewal and provinces covered thereby and rules for badge, ribbon and compulsory uniform are decided by MOT. Guides are exempted from entrance fees to museums and antiquities site during their escort of tourists. Fees to be imposed on guides are, SP 500 for application of license, SP 1,000 for annual license fee, SP 400 for badge, SP 200 for ribbon. There are no price control for tourist guides. In general, price of tourist guide is about SP 500 for half day, SP 1,000 for all day. MOT is organizing the 45 days training course for applicant of tourist guides. Some training are also done in Hotel Training Center.

A5.2.5 Taxes on Tourists

An excise tax is imposed on tourists staying at hotels and making use of restaurants of 3-star category and higher, as follows.

- Hotel: 10 percent of room rate (5-star and 4-star), 5 percent of room rate (3-star)
- Restaurant: 15 percent (5-star), 10 percent(4-star), 5 percent (3-star)

In addition, local tax is imposed on tourists stay at hotels at US$ 1 for each stay.

A5.2.6 Promotion of Private Participation and Foreign Capital Investment

(1) Investment Promotion

The government has placed emphasis on the promotion of private investment. The Law No. 10 of 1991 was enacted to accelerate the pace of private investment, and designates agricultural projects, industrial projects and transport projects as favored fields for investment promotion. Tourism projects are not in the scope of the law, the Article 34 states that tourism projects shall be governed by specific Law and regulations concerning them. Decision No. 186 for 1985 by Supreme Council of Tourism is the very regulation mentioned here. Actually, the decision has been in force before other fields can enjoy encouragement measures by the law.

The Decision covers hotels, other accommodation facilities and restaurants of 2-star and over, and integrated tourist compounds. It prescribes exemption from income tax by 50 percent, taxes, duties and fees concerning construction and importing of building materials, tools, equipment, service vehicles and furniture. In addition, Arab and non-Arab foreign investors are treated like Syrian investors under the Decision. However, transfer of profits accruing from the investment of foreign capital is not allowed under the Decision, although it is allowed to the field covered by the Law No. 10 of 1991 (Article 24,c).

(2) Joint Venture

After the Decision No. 186, several projects were picked up as MOT proposed projects, which would be suitable for applying incentive measures by the Decision. List of projects are open to public as a Booklet of dispositions concerning tourist investment -- A list of Tourist projects Opened For Arab, Foreign and Syrian Immigrant investors. Several projects have been added after its publication, and the list showing 39 projects was presented to the tourism development investment conference in Damascus, March 1995. Table 6.1.4 shows the outline of the proposed projects. Some of them are the projects on MOT owned land acquired according to the Master Plan. In most cases, MOT is waiting the investors as a counterpart of the joint venture. Since the Decision No. 186 was enacted, only 3 joint projects with Arab partners have been implemented.

The general rules applied for implementation of these projects are as follows:

1. Government Obligation (MOT)
- to hand over the land free from any occupancy or obstructions;
- to provide the public utilities (road, water, electricity) up to the project borderline;
- to provide administrative assistance in order to secure the licenses and permits necessary for the establishment of the project and its investment; and
- possibility of partial contribution in financing the needs of the project in local currency.

2. Investors' Obligation
- to undertake the primary studies of the project before entering into contract and at his own expense before signing the contract;
- to make the feasibility study of the project components after signing the contract;
- to make detailed studies and financing for the execution;
- to secure the necessary financing for the execution; and
- to commit to a time schedule for the execution of establishment and its investment by stage.

3. Contractual Relation
- the project is executed by establishing a Syrian joined stock company;
- the government (MOT) contributes in nature by the value of the land, either by covering the property of the land to the newly created company for a limited period of time (fixed according to the feasibility study) after which the ownership of the land and the establishments return to the government;
- Advantages of the facilities and tax exemptions are given within the limits of Decision No. 186 of 1986;
- the company will undertake the management or it will provide another management company for the establishment; and
- the company undertakes to secure the necessary foreign currency needed for the recuperation of the capital through the advantages granted according to the Decision No. 186 of 1986.

Apart from MOT list of proposed projects, there are other joint venture hotels and restaurants.

Table A5.2.3 List of Tourist Projects for Private Investors

Project Name	Area	Rooms	Beds	Estimated Project Cost million SP	million US$	Status
Recreation and Resort Projects						
Amrit Tourist Complex, Tartous	480ha		13,688	140 +	15	JV with MOT and Mohafazat, welcome private investor
Ras Al Basit Tourist Beach Complex, Latakia	2,500ha		26,400	900 +	80	partially in operation by Labour Union but most areas left
Samar Land Complex, Tartous		112			30	100% private project, already approved, not yet started
Um Al Tuyur Tourist Complex, Latakia	300ha		6,600	225 +	20	no progress
Wadi-Kandeel Tourist Complex, Latakia	500ha		8,400	285 +	25	no progress
Al Sanawbar Tourist Complex, Latakia	1,400ha		40,000	1,360 +	120	no progress
Banias Tourist Complex, Tartous	20ha		1,000	35 +	4	evacuation of houses by MOT is not finished
Al Assad Lake Tourist and Recreational Complex, Aleppo & Raqqa			40,600	1,000 +	90	some study of private investors, not approval, nor licence yet
Other Type of Projects						
Five star Hotel, Damascus						located in front of MOT, study made by Saudi company
Adawi Land, Damascus			500			investor withdrawn
Khan Al Ruz Project (Traditional Restaurant), Damascus				15		owned by MOT, Negocaition of evacuation underway
Tourist and Hotel Project in Amrit, Tartous						JV Co. established, under study for implementation
Arwad Island Tourist Complex (Hotel & Chalets), Tartous	0.007ha		300	25 +	1.5	one investor is studying, MOT study in 1990-91
Tourist and Commercial Project, Tartous		90				project of Mohafazat
Bab Al Farag Tourist Complex, Aleppo						project of Mohafazat
4-star Hotel in Tarek Ibn Ziad Site, Aleppo				250 +	22	land owned by military, no progress
Baron Hotel Development, Aleppo			150	30 +	2	problem of evacuation and negociation with present operator
Arabic Market, Aleppo						a part of Bab Al Faraj Project
Homs Tourist Complex, Homs	10ha		300	25 +	1.5	no progress
Tourist Project in Tal Shehab, Dara'a						no progress
Ain Al Marj Project, Suwelda						n/a
Seize Tourist Center, Dara'a						a MOT restaurant opened
Tourist Project in Mzereeb, Dara'a						a MOT restaurant opened
Zaher Al Jabal Places Project, Suwelda						project of Mohafazat, no progress
Tourist Hotel, Idleb		40	80	15 +	1	90% structure accomplished by MOT, waiting for investors
Tourist Hotel, Dara'a		40	80	15 +	1	95% structure accomplished by MOT, waiting for investors
General Proposal						
Tourist Investment of Archaeological Edifices						
Tourist Complex in Mountain Area						
Tourist Complex in Al Sham Badiyah (Syrian Desert)						
Tourist Projects in the Region of Wadi Al Furat						
Hot Spring Development						
Al Sath Spa Resort, Hassake			100	40 +	1.5	no progress
Al Salira Spa Resort, Aleppo			200	60 +	2	no progress
Al Shieleh Issa Spa Resort, Idleb			100	40 +	1.5	no progress
Al Dumeir Spa Resort, Damascus C				15 +	0.5	no progress
Abu Rabah Spa Resort, Homs			40	17 +	0.7	no progress
Dara'a Spa Resort, Dara'a				40 +	1.2	no progress
Al Qastum Spa Resort, Idleb			40	30 +	1.2	no progress
Ras Al Ain Spa (resthouse), Hassake				7		no progress
Fasvaya Spa (resthouse), Damascus C				14		no progress
Others						
Tourist Village in Kassioun Mountain, Damascus		400		200		n/a
Ibn Hani Bay Tourist City, Latakia	35ha	200		175 +	15	n/a
Route Ibn Ziad Tourist and Recreational Complex, Aleppo	20ha		1,500	250 +	22	n/a

Source: MOTA

A6.1 Transport

A6.1.1 Airports and Air Transport

(1) Modal Share

The modal share of air transport is not so large at present, accounting for 13 percent of the total number of passengers entering Syria. As for the non-Arabic passengers air transport is commonly used, 35 percent of the total passengers entered Syria by air in 1995. However it is noteworthy that the total number of foreign passengers from non Arab countries by air has decreased since 1986, on the contrary that by land has steeply increased. It is due to the increase of foreign passengers by land. Passengers from non Arab countries by land are supposed to have entered the Middle East at other international airports in other countries (Table A6.1.1).

Table A6.1.1 Number of Foreign Passengers to Syria by Transport Means

		1986				1995			
		Air	Sea	Land	Total	Air	Sea	Land	Total
Arab	persons	76,895	6,644	670,957	754,496	126,023	2,193	1,505,988	1,634,204
Countries	%	10.2%	0.9%	88.9%	100.0%	7.7%	0.1%	92.2%	100.0%
Non-Arab	persons	218,649	1,690	184,836	405,175	145,241	8,004	465,338	618,583
Countries	%	54.0%	0.4%	45.6%	100.0%	23.5%	1.3%	75.2%	100.0%
Total	persons	295,544	8,334	855,793	1,159,671	271,264	10,197	1,971,326	2,252,787
	%	25.5%	0.7%	73.8%	100.0%	12.0%	0.5%	87.5%	100.0%

Source: Central Bureau of Statistics, Statistical Abstract

(2) Services

In Syria five airports, Damascus, Aleppo, Kamishli, Latakia and Deir ez Zor are served as civil airport now.

About 300 international scheduled flights were operated to and form Damascus Airport a week in July, 1995. Out of those some 100 flights a week were operated between Syria and Europe, and European air companies comprising Air France, Lufthansa, KLM, British Airways and others operate some 40 flights a week. Other international flights at Damascus Airport were those to and from the Middle East countries.

Table A6.1.2 Number of Passengers by Airport

unit: thousands persons

Airport	1982	1985	1990	1993	1994	1995
Damascus	1,224	1,505	1,589	1,366	1,208	1,440
Aleppo	38	61	156	194	203	196
Kamishli	7	19	22	15	7	17
Latakia	2	4	10	7	6	6
Deir ez Zor	7	4	19	1	16	7
Total	1,278	1,593	1,796	1,583	1,440	1,666

Note: The number of passengers are the total of arrival and departure passengers

Source: Central Bureau of Statistics, Statistical Abstract

At Aleppo Airport, another international airport in Syria, 44 international scheduled flights a week were operated to and from Europe and the Middle East countries in 1995. And some of those were international flights via Damascus Airport. Chartered flights mostly from Russia also fly to Aleppo Airport, and the passengers of those flights are mostly wholesalers.

Syrian Arab Airlines is the national carrier under the MOTR. Although there exist more than seventy bi-lateral agreements on international air transport between Syria and other countries, presently international direct flights to and from Syria are regionally limited. Direct flights from Asia, north and south America are few or none. Most Asian tourists who want to come Syria usually have to buy tickets for air route via Europe at unreasonable high rate and also have to spend long travel time. This situation prevents Syria from attracting potential tourists in the world in spite of her excellent tourism resources (Table A6.1.3 and A6.1.4).

Table A6.1.3 Number of Direct Flights to Syria and Neighboring Countries

To	From Middle East	Europe Germany	France	UK	Others	CEECs/NIS Russia	Others	Africa	Asia Japan	Others	America USA	Others	Oceania	Total
Syria														
Damascus	80	9	4	7	32	4	6	39	0	2	0	0	0	183
(%)	43.7	4.9	2.2	3.8	17.5	2.2	3.3	21.3	0.0	1.1	0.0	0.0	0.0	100.0
Aleppo	10	3	0	0	5	0	3	3	0	0	0	0	0	24
(%)	41.7	12.5	0.0	0.0	20.8	0.0	12.5	12.5	0.0	0.0	0.0	0.0	0.0	100.0
Jordan														
Amman	102	6	6	16	62	2	1	18	0	23	8	6	0	250
(%)	40.8	2.4	2.4	6.4	24.8	0.8	0.4	7.2	0.0	9.2	3.2	2.4	0.0	100.0
Lebanon														
Beirut	70	2	11	11	53	1	7	14	0	3	0	1	0	173
(%)	40.5	1.2	6.4	6.4	30.6	0.6	4.0	8.1	0.0	1.7	0.0	0.6	0.0	100.0
Egypt														
Cairo	177	46	13	15	109	4	14	40	3	18	8	0	2	449
(%)	39.4	10.2	2.9	3.3	24.3	0.9	3.1	8.9	0.7	4.0	1.8	0.0	0.4	100.0
Turkey														
Istanbul	65	103	41	34	191	20	80	22	11	18	18	0	0	603
(%)	10.8	17.1	6.8	5.6	31.7	3.3	13.3	3.6	1.8	3.0	3.0	0.0	0.0	100.0
Greece														
Athens	45	113	24	49	257	8	48	24	0	9	16	4	4	601
(%)	7.5	18.8	4.0	8.2	42.8	1.3	8.0	4.0	0.0	1.5	2.7	0.7	0.7	100.0

Note: (unit: No. of flights/week)

CEECs ; Central and Eastern European Countries, NIS; New Independent States

Egypt is categorized into Africa

Countries formerly belonged to Yugoslavia, Turkey, Cyprus, Albania, Greece and Malta are categorized into Europe.

Source: "World Airways Guide", OAG, July 1997

However, efforts are being made by the Syrian government to establish new international routes between Syria and Kuala Lumpur, Caracas, Beirut and Armenia during 1997.

There are four domestic airlines between Damascus and other cities as of May, 1997. They are as follows:

i) Damascus - Aleppo
17 flights/week. (consisting the international flights via Damascus or starting from Damascus)

ii) Damascus - Latakia
1 flight/week. (consisting the international airline routes between Damascus and Cairo)

iii) Damascus - Deir ez Zor
  1 flights/week.
iv) Damascus - Kamishli
  3 flights/week.
(note: One arrival and one departure are counted as one flight.)

Due to well developed road network and short distances between major cities the domestic air transport is rather inactive.

In 1995, 1.6 million passengers used Syria's civil airports and no large increase was observed in number of passengers from 1985 to 1995. Most airline passengers used Damascus Airport and only 12 percent of passengers used Aleppo Airport in 1995 (Table A6.1.2).

Table A6.1.4 Passenger Capacity by Air from Syria to Other Countries

To	From																
	OECD Countries							GCC	Other Arab Countries				Others				Total
	Germany	France	UK	Japan	USA	Others	Sub Total		Jordan	Lebanon	Others	Sub Total	Iran	Turkey	Others	Sub Total	
Damascus	84	56	80	0	0	133	353	722	87	12	231	330	55	35	230	319	1,724
Aleppo	27	0	0	0	0	57	84	71	0	0	16	16	0	8	33	42	212
Deir ez Zor	0	0	0	0	0	0	0	7	0	0	0	0	0	0	0	0	7
Total	110	56	80	0	0	190	437	800	87	12	247	346	55	43	263	361	1,944
(%)	5.7	2.9	4.1	0.0	0.0	9.8	22.5	41.2	4.5	0.6	12.7	17.8	2.8	2.2	13.5	18.6	100.0

Note: (unit: 1,000 passengers/year)
Egypt is categorized into Africa
Countries formerly belonged to Yugoslavia, Turkey, Cyprus, Albania, Greece and Malta are categorized into Europe.
Source: JICA Study Team, "World Airways Guide", OAG, Jul.,1997

(3) Facilities

Damascus Airport has 3,600m length runway and 3,000m length runway in parallel. Only one runway has high speed run-off taxi way. Between two parallel runways frontal airport terminal is located for both domestic and international passengers. It seems that the design standard of Damascus airport terminal is below international level. Also airport terminal facilities should be modernized for smooth handling of immigration procedures.

A new airport terminal building is being constructed at Aleppo Airport. However it was observed that there is still room for expansion of runway and apron area for the future increase of large jets.

A6.1.2 Roads and Road Transport

(1) Modal Share

Roads in Syria are generally good and modernized, which play a significant role in both international and domestic passenger transport.

The modal share of land transport used by foreign passengers from Arab countries and non Arab countries has steeply increased in Syria. Most of them use road transport. The modal share of land transport is large at present, accounting for some 90 percent of the total number of passengers entering Syria. Even in case of non-Arab passengers 75 percent of the passengers entered Syria by land in 1995 (Table A6.1.5).

Table A6.1.5 Number of Foreign and Arab Passengers to Syria by Land

		1986	1995
Jordan	persons	391,894	739,284
	%	45.8%	37.5%
Lebanon	persons	319,209	893,391
	%	37.3%	45.3%
Turkey	persons	144,690	338,651
	%	16.9%	17.2%
Total	persons	855,793	1,971,326
	%	100.0%	100.0%

Source: Central Bureau of Statistics, Statistical Abstract

(2) Network and Road Condition

At present several border crossing points are designated for international road transport between Syria and neighboring countries except for Iraq and Israel. Between Syria and Turkey Bab al-Hawa connected with Aleppo, and Kassab connected with Latakia are the border crossing points from the E.5 international highway. There are five border-crossing points between Syria and Lebanon and one at Dara'a between Syria and Jordan.

As for the border crossing transport an international convention was ratified among Arab countries, and people with those nationalities are given privilege for border crossing. Border crossing group tourism by the people from outside of Arab countries is being developed by tourist agencies, however, not much has been developed for border crossing individual tourists.

The total length of roads has been remarkably increasing, particularly asphalt roads has increased at the rate of 600 to 800 km a year since 1985. As for now, 95 percent of the total length of roads are paved.

Highways (Autoroutes) with 6 lanes are well arranged between major cities, which assure the traveling speed of 110 km/h. However construction has not been started between Aleppo and Latakia. Though the percentage of pavement roads is high, some paved roads are damaged because of insufficient maintenance and some access roads to tourism site stemming from trunk road still need to be improved in terms of curvature and pavement.

i) Marking of center line is not shown on the national roads and passing lane is not clearly marked on the Highways.
ii) Sign board for speed limitation are very few.
iii) Lighting facilities are not arranged on the roads except the roads to airport and some sections of Highways.
iv) Traffic signs showing the distance and direction to major tourism sites, are not well arranged.

Syria has ratified the United Nations Convention on Road Signs and Signals, Vienna, 1968, and arrangement work of road signs is being implemented, although gradually.

Two Highway projects and two main roads projects are in progress at the moment. They are:

i) Latakia - Ariha through Shughour Highway construction project;
ii) Damascus Loop Highway and relevant roads construction project;
iii) Aleppo - I'zaz - Salmiya (Turkey) road improvement project;
iv) Latakia - Kassab road improvement project.

Regarding the Highway construction project between Latakia and Ariha study has been already finished but new study is being prepared by Ministry of Communications. Financing of this has not been settled as yet.

(3) Public Road Transport

Public road transport under the control of the Syrian Government is inexpensive and well-scheduled. State-owned buses and privately-owned buses are competitively operated.

The state-owned Karnak buses connect all major towns and cities; these are air-conditioned, speedy and reliable, but seats need to be reserved at least a day in advance.

Privately-owned buses are generally called Pullman bus and are run by private companies. Out of these private bus companies, TRANSTOUR which was partially owned by Syrian Government, ZETONEE Tour, and DAMAS Tour are run on a large scale. Also these buses are air-conditioned and comfortable, and passengers are required to reserve seats at least one day in advance. These Pullman buses are in direct competition with Karnak buses and are providing good services.

Karnak and Pullman buses are also operated on the international routes to neighboring countries.

Other than those large buses Micro buses are operated for short and medium distance transport by small private companies based on the so-called Law No. 10. Two types of buses, minibus with some 14 seats and more smaller bus with 8 to 10 seats called Service are categorized into Micro bus. The operation of these buses are unscheduled and passengers can be discharged and picked up at any point along the route. It is relatively difficult for international tourists to use microbus as transport means.

Except for buses to major cities and towns currently no scheduled tour bus is operated for international tourists. Bus service for international tourists are usually arranged by tour companies for their customers. This situation makes it difficult for the international tourists to employ own self made tour.

Several bus terminals are provided in Damascus and Aleppo. However these bus terminals are not user-friendly for foreign tourists. There are no explanatory boards written in English and few staff speak English. No time table is issued, in Arabic nor in foreign language. Traffic flows are always affected by large buses around the entrance and exit ways of bus terminals.

Car rental service for individual international tourist is developed in Syria. More than one hundred and fifty rental car companies are operated in Syria. Virtually car rental services without driver for international tourists are very few, although international driver license is recognized. Most international tourists utilize such services as car rental with driver. This situation is mainly attributed to the drawback of traffic system in Syria including lack of synthesized traffic signaling system and insufficient traffic signs for foreigners.

A6.1.3 Railway and Rail Transport

(1) Network

The railway network in Syria is connected with neighboring countries across borders, though the operated trains are few. The Hijaz railway from Damascus passes through Jordan and reaches to Saudi Arabia. However the portion in Saudi Arabia was destroyed in 1973 and is impassable even now. Also the railway from Damascus to Sarghaya, the border town, is linked to the railway to Beirut, Lebanon. Other border crossing railway links Aleppo to Ankara or other cities in Turkey and connects the railway between Teheran and Paris famous for "Orient Express". Between Aleppo and Turkey passengers are transported by the "Taurus Express".

The railway between Damascus and Jordan is principally used for cargo transport, however chartered train can be operated for group tour passengers.

Railways in Syria are constructed by the General Company for Railway Construction and operated by the General Organization for Railway and Hijaz Railway General Organization. All railway lines in Syria are single-track and not electrified. Out of the total length of 2,423 km as of 1993, 327 km is constructed as narrow gauge and the rest has standard gauge. Narrow gauge lines are distributed in the south of Damascus. The railway network connects major cities in Syria. However, between Damascus and Deir ez Zor long detour of way is required due to the missing railway link between Palmyra and Deir ez Zor.

(2) Rail Transport

The total number of railway passengers reached the peak in 1991, registered 4.65 million However the number of railway passengers has decreased ever since. In 1995 the total number of railway passengers was 1.82 million. The decrease is due to long travel time and inconvenient fixed operation schedule. Compared with long distance bus, travel time by rail is about 1.5 to 2.0 times longer than that by bus. At present it takes some 6 hours by rail between Aleppo and Damascus, whereas only four hours is required by road. Moreover long distance buses are usually air-conditioned, in contrast trains are not equipped with air-conditioning. International tourists prefer more comfortable and time saving transport means. Therefore railway can not be a strong competitor to roads, unless high speed trains are operated. Ministry of Transport is now preparing a railway master plan study in Syria.

Passengers train from Damascus bound for Aleppo leaves twice a day and for Kamishli once a day from Kadam station. From Aleppo station international train to Turkey is operated. Hijaz railway station is now used only twice a day for trains between Damascus and Sarghaya or Qatana, in the west of Damascus.

During Bosra Festival in September special trains are operated from Damascus to Bosra. Also train bound for southern Syria from Damascus could be chartered for special purpose even now. For instance the tour train from Jordan is reportedly operated to Bosra and in the section between Bosra and Dara it is pulled by a steam locomotive.

Although the importance of railway as transport means detracted, there still remains some attractiveness for tourist who seek nostalgia and elegance. The historical building of stations represented by Hijaz station, old fashioned rolling stock, and the name of Orient Express, all these have still something to attract tourists.

Table A6.1.6 Railway Passengers

unit: thousands persons

	1989	1990	1991	1992	1993	1994	1995
Passengers	4,260	4,302	4,646	4,038	3,002	1,971	1,815

Source: Central Bureau of Statistics, Statistical Abstract

A6.1.4 Ports and Water Transport

(1) Modal Share

The modal share of passenger transport by sea in the total number of foreign passengers entering Syria is very small, only 0.5 percent of the passengers entered Syria by sea in 1995. No scheduled passenger boat is operated, and occasionally chartered passenger boats from Greece and other countries call at one of Syrian ports.

(2) Facilities

Two principal commercial ports, Latakia and Tartous are used mainly for cargo transport. These ports are administrated and operated by respective port general companies as state-owned ports. There are two local ports mainly used for fishing boats; the ports of Jebleh and Arwad, which are administrated by the General Directorate of Ports under the Ministry of Transport. The ferry facilities at Arwad and Tartous are in need of improvements for foreign tourists.

(3) Water Transport

Concerning passenger transport, ferry service is provided between Arwad Island and Tartous. Ferry facilities at Tartous and Arwad are not well arranged for tourists. No ferry boat targeted for tourists is operated. The boats currently in use are not easy to use for senior tourists. Due to insufficient ferry port facilities at both Arwad and Tartous, ferry boat passengers are forced to skip from boat to boat dangerously for boarding and landing. Ministry of Transport is now preparing to carry out a ferry port facilities improvement study. As Arwad is the only island in Syria, it is more attractive for local tourists than international tourists.

Inland water transport for passengers is currently not utilized in Syria. Tours visiting tourism resources along Euphrates River currently depend on road transport and the Euphrates River is not functioning as a transport means. Now that several dams were constructed for irrigation and power generation in the Euphrates River, it is likely that the water release of those dams affect the river transport.

Assad Lake was constructed in 1975 for the purposes of power generating, irrigation and flow regulation of the Euphrates River with a technical assistance of former Soviet Union. This Lake is now attracting much attention because of its potential for tourism other than the above mentioned direct purposes. Until now no large boat cruising service is provided for international tourists on the Lake, but only small boat cruising is provided for local tourists.