

## **11 IMPLEMENTATION PROGRAM**

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### **11.1 Structure Plan**

The current tourism structure in Syria was illustrated in Section 8.5. In order to efficiently realize formulated policies and strategies, gradual development expansion based on the description in the staged development strategy is needed. Figure 11.1.1 to 11.1.3 show tourism development process in 2005, 2010 and 2015 respectively.

### **11.2 Proposed Implementation Schedule**

Table 11.2.1 indicates a summary of tourism development component plans with the implementation schedule by 2005 and by 2015. The indicated prefix letters and numbers are corresponding to the component plans formulated through Section 10.1 to 10.5.

The implementation schedule was prepared with the indicative cost, which were aimed at providing ideas about the range of necessary investment amount.

The total indicative cost for the proposed component plans to be implemented by 2005 is about SP 70 billion (about SP 1 billion for the Marketing and Promotion Development Plan, SP 250 million for the Organization and Institutional Development Plan, 5 billion for the Resource and Product Development, and SP 64 billion for the Facilities and Infrastructure Development Plan). Similarly, the total indicative cost beyond 2005 and by 2015 is about SP 150 billion (about SP 2 billion for Marketing and Promotion Development Plan, SP 200 million for the Organization and Institutional Development Plan, 10 billion for the Resource and Product Development, and SP 135 billion for the Facilities and Infrastructure Development Plan).

The Facilities and Infrastructure Development Plan includes not only the tourism facilities such as hotels but also urban and transport infrastructure, therefore the total cost turned very high comparing to other component plans.

Figure 11.1.1 Spatial Tourism Structure, 2005

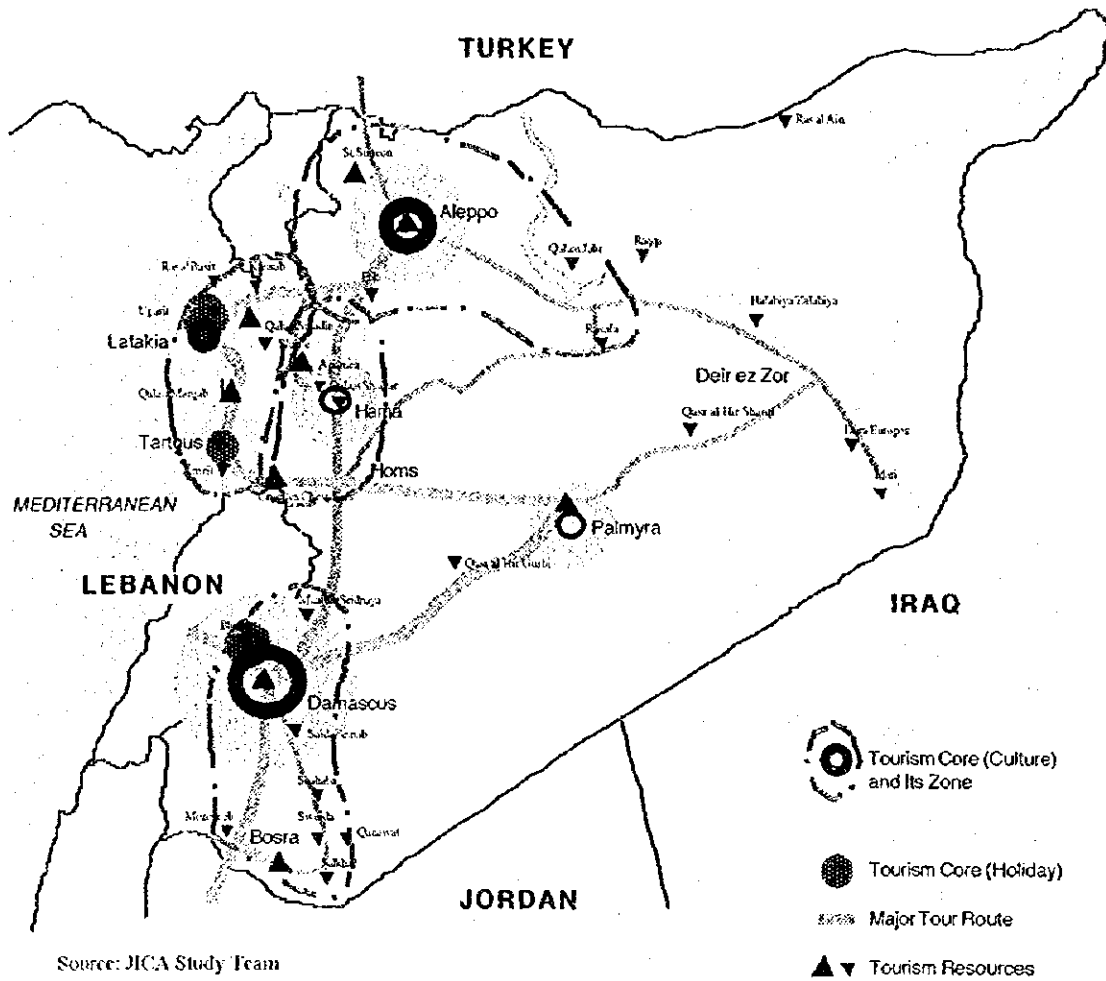




Figure 11.1.3 Spatial Tourism Structure, 2015 and Beyond

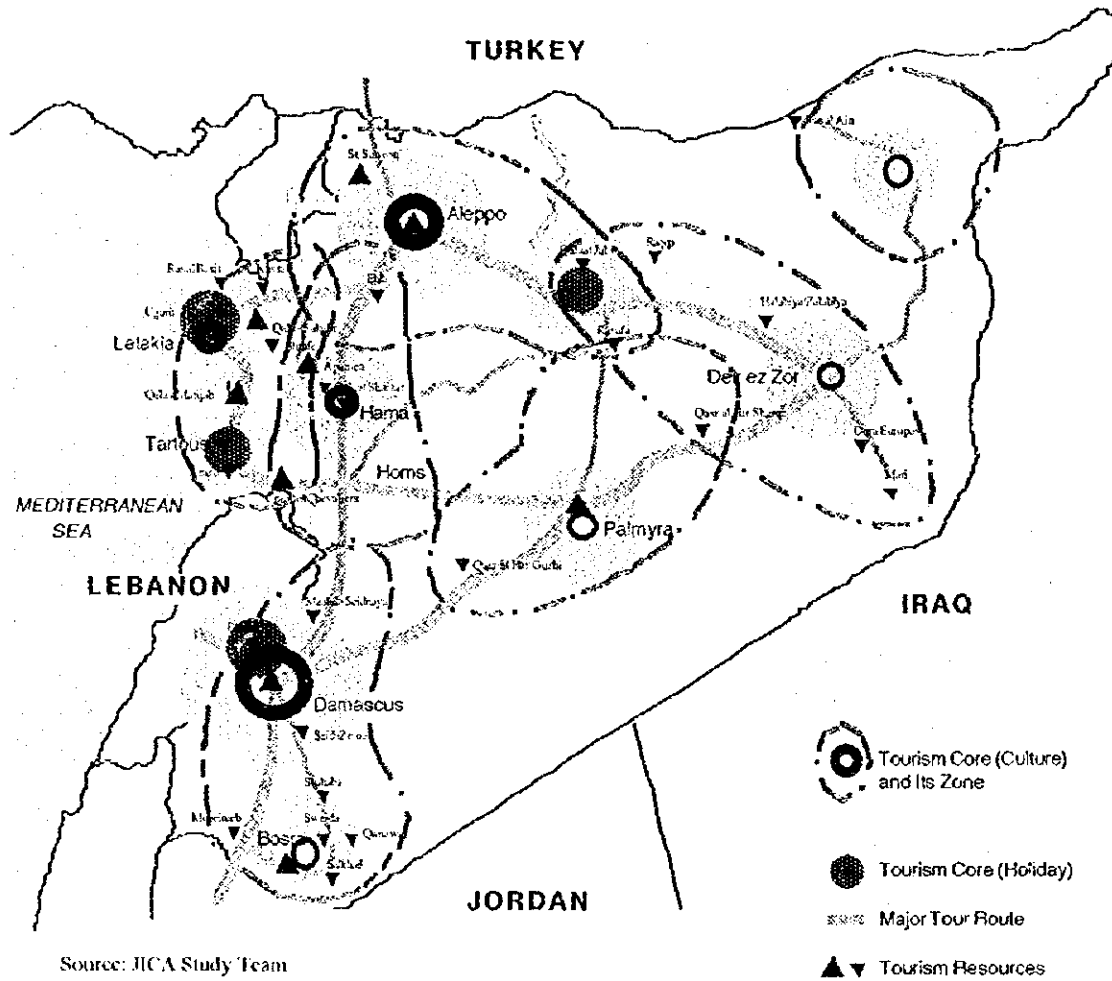




Table 11.2.1 Implementation Schedule of the Master Plan

		by 2005	Cost	by 2015	Cost
Marketing and Promotion	Marketing	MP1 Intensifying approaches for foreign media and travel trade MP2 Modern segmented marketing approaches - traditional European market, Arab countries market for cool summer, seminar, meeting and incentive market, etc. MP3 Approaches for alleviation of seasonality MP4 Price awareness increase MP5 Appointment of marketing agency	SP 25 million	MP6 Consolidation of traditional market MP7 Approaches to the new and emerging markets - Australia, South and Central Asia, Eastern Europe, etc. MP8 Approaches to the niche markets MP9 Approaches to the MICE market MP5 Appointment of marketing agency	SP 50 million
	Promotion	MP10 Production of various sales materials - Syrian sales manual, news letter, video clip, etc. MP11 Production of motivation material MP12 Production of practical on-site materials MP13 Appointment of promotion agency MP16 Participation in selected travel trade shows MP17 Strengthening of repeated after sales calls at a regular interval MP18 Organization of sponsored travel trade fam tours - major European markets, Americas, Asia-Pacific MP19 Opening of representative offices utilizing local representative system - in major European cities MP20 Liaison promotion with RB and other airlines MP21 Syrian cultural exhibitions in major markets	SP 850 million	MP14 Production of purpose-edited sales tools MP15 Production of theme motivation materials MP22 Joint sales mission of MOT, RB, hotels, tour operators, etc. MP23 Purpose-made and theme sales mission MP24 Own representative offices in major European cities MP19 Opening of representative offices utilizing local representative system - in New York, Tokyo, etc. MP25 Strengthening of promotion through Syrian embassies MP26 Organization of ad-hoc promotion seminar and work-shop MP27 Joint promotion with neighboring countries	SP 1,500 million
	Information Service Delivery	MP28 Improvement of gateway information - Damascus, Aleppo MP29 Provision of on-site information - major tourist sites	SP 60 million	MP28 Strengthening gateway information MP29 Strengthening on-site information: major tourist sites	SP 120 million
Organization and Institution	Institutional Development	O11 Authorization of the Master Plan O12 Strengthening of Supreme Council O13 MOT and DGAM inter-ministerial cooperation O14 Proper budget allocation O15 Formal joint committee for the tourism promotion O16 Launching public awareness program O17 Strengthening of MOT Directorate of Planning O18 Computerized statistical analysis O19 Tourist surveys O110 Visitor behavior analysis O111 Annual report publishing O112 Creation of the visitor service unit within DGAM O113 Creation of the site improvement fund for DGAM O114 Introduction of innovative ticketing for major tourist sites O115 Creation of corps of heritage guides O116 Improvement of CIQ procedure	SP 50 million		
	Tourism Industry Vitalization	O117 Deregulation of hotels O118 Deregulation of restaurants O119 Strengthening incentives for private investment O120 Clarification of investment criteria and procedure O121 Introduction of one-stop shop system O122-26 Increased incentives in old cities			
	Human Resource Development	O127 MOT planning staff training O128 MOT marketing and promotion staff training O129 Private sector participation as instructors in HTTC and HITS O130 Appointment of foreign instructor O132 Introduction of incentives for in-service training in the private sector O133 Creation of handicraft committee by MOT and related agencies	SP 200 million	O131 Overseas training for HTTC and HITS O134 Handicraft development and training	SP 200 million







		by 2005	Cost	by 2015	Cost
National	Resource and Product Development	RP12 Souvenir improvement and development RP13 Folklore performance development for tourism	SP 5 million	RP12 Souvenir improvement and development (continued) RP13 Folklore performance development for tourism (continued)	SP 10 million
	Facilities and Infrastructure	F18 Hygiene upgrading F114 Provision of tourist direction signs for major tourist sites F119 Upgrading Syrian Arab Airlines' service F120 Promotion of international flights to Syria F132 Installation of more public phones at major gateways	SP 100 million	F114 Provision of tourist direction signs for all tourist sites F133 Improvement of international and domestic telephone service	SP 100 million
Damascus Zone	Resource and Product Development	RP1 Museum improvement - Damascus National Museum, Azem Palace RP2 Site improvement and amenity provision - Citadel, Ma'alula, Seidnaya, etc. RP3 Old city tourist zone improvement - Walled city, Sarouja quarter RP5 Damascus National Museum development plan RP7 Mt. Kassioum Lookout and cable car RP8,9 Sports, recreation, culture parks development - Rabwe, Zabadani RP10 Soft adventure development (balloon, camel riding, etc.) RP14 Hijaz railway development (station restoration and exhibition)	SP 1,000 million	RP1 Museum improvement - Damascus History Museum, Arab Epigraphy Museum, Medicine and Science Museum, National Archive and Museum RP3 Old city tourist zone improvement - Salhiye district RP8,9 Sports, recreation, culture parks development - Gouta, Zabadani and surroundings RP11 Hot spring development RP14 Hijaz railway development (continued)	SP 1,500 million
	Facilities and Infrastructure	F11,3 Additional hotel capacity, and various type of accommodation - 5-star hotels, 3 to 4-star hotels F12 Upgrading facilities and services of hotels - 5-star hotels, 3 to 4-star hotels F14 Upgrading Damascus international fair ground F15 Exchange offices and upgrading CBS branches' services F16 Hotel school upgrading F17 Upgrading restaurants and theaters, and establishing new ones F112 Upgrading approach roads to tourist sites F115 Upgrading bus terminals F118 Upgrading Damascus airport F124 Rehabilitation of Hijaz railway F130 Garbage collection upgrading	SP 10,000 million	F11,3 Additional hotel capacity, and various type of accommodation - 5-star hotels, 3 to 4-star hotels, 1 to 2-star hotels F19 Establishing Damascus International Convention Center F10 World Business Centers by the private sector F117 Tourist bus services development (sightseeing, to the border crossing) F128 Water supply piping rehabilitation in old Damascus F131 Electricity distribution upgrading in old Damascus	SP 30,000 million
Aleppo Zone	Resource and Product Development	RP1 Museum improvement - Aleppo National Museum, Citadel RP2 Site improvement and amenity provision - Saint Simeon, Dead Cities RP3 Old city tourist zone improvement - Souq, Citadel, Jedaideh RP8,9 Sports, recreation, culture parks development - Assad Lake, etc. RP10 Soft adventure development (balloon, camel riding, etc.)	SP 1,000 million	RP1 Museum improvement - Popular Tradition Museum RP2 Site improvement and amenity provision - Ain Dara, Ebla, Idleb, etc. RP3 Old town tourist zone improvement (continued) RP8,9 Sports, recreation, culture parks development	SP 1,500 million
	Facilities and Infrastructure	F11,3 Additional hotel capacity, and various type of accommodation - 3 to 4-star hotels F12 Upgrading facilities and services, and expansion of hotels - 5-star hotels, 3 to 4-star hotels F15 Exchange offices and upgrading CBS branches' services F16 Hotel school upgrading F17 Upgrading restaurants and theaters, and establishing new ones F121 Ariha-Latakia Highway construction F112 Upgrading approach roads to tourist sites F115 Upgrading bus terminals F118 Upgrading Aleppo airport F130 Garbage collection system upgrading	SP 15,000 million	F11,3 Additional hotel capacity, and various type of accommodation - 5-star hotels, 3 to 4-star hotels, 1 to 2-star hotels F110 World Business Centers by the private sector F116 International road improvement F117 Tourist bus services development (sightseeing, to the border crossing) F125 Introduction of excursion boats at Lake Assad F128 Water supply piping rehabilitation in old Aleppo F131 Electricity distribution upgrading in old Aleppo	SP 20,000 million





		by 2005		by 2015	
			Cost		Cost
Coastal Zone	Resource and Product Development	RP1 Museum improvement - Latakia National Museum RP2 Site improvement and amenity provision - Salahdin Castle, Tartous and Arwad, Ugarit RP3 Tourist zone improvement in Tartous-Arwad RP8,9 Sports, recreation, culture parks development - Amrit, along the Mediterranean beach RP10 Soft adventure and marine sports development	SP 800 million	RP1 Museum improvement - Tartous Museum RP2 Site improvement and amenity provision - Marqab Castle, etc. RP8,9 Sports, recreation, culture parks development RP11 Hot spring development	SP 1,000 million
	Facilities and Infrastructure	FI2 Upgrading facilities and services of hotels - 5-star hotels, 3 to 4-star hotels FI3 Providing various type of accommodation FI5 Exchange offices and upgrading CBS branches' services FI11 Ariha-Latakia Highway construction FI12 Upgrading approach roads to tourist sites FI22 Improvement of Tartous-Arwad passenger boat service FI23 Promotion of Mediterranean cruise FI30 Garbage collection system upgrading in Tartous and Arwad	SP 15,000 million	FI7 Upgrading restaurants and theaters, and establishing new ones FI9 World Business Centers by the private sector FI15 Upgrading bus terminals FI16 International road improvement FI17 Tourist bus services development (sightseeing, to the border crossing) FI29 Construction of sewage treatment plant (Latakia, Tartous, isolated sites) FI30 Garbage collection system upgrading	SP 20,000 million
Homs & Hama Zone	Resource and Product Development	RP1 Museum improvement - Hama Museum (Azem Palace), Apamea Museum RP2 Site improvement and amenity provision - Crac des Chevaliers, Apamea, Qatina Lake, etc. RP3 Tourist zone improvement in Hama RP6 Byzantine mosaic garden	SP 1,000 million	RP1 Museum improvement - Homs Museum RP2 Site improvement and amenity provision - Dead Cities, etc. RP8,9 Sports, recreation, culture parks development - along Damascus-Aleppo axes RP11 Hot spring development	SP 2,000 million
	Facilities and Infrastructure	FI2 Upgrading facilities and services, and expansion of hotels - 5-star hotels, 3 to 4-star hotels FI12 Upgrading approach roads to tourist sites	SP 3,000 million	FI1,3 Additional hotel capacity, and various type of accommodation - 3 to 4-star hotels, 1 to 2-star hotels FI7 Upgrading restaurants and theaters, and establishing new ones FI5 Exchange offices and upgrading CBS branches' services FI15 Upgrading bus terminals FI29 Construction of sewage treatment plant (isolated sites) FI30 Garbage collection system upgrading	SP 15,000 million
Palmyra Zone	Resource and Product Development	RP1 Museum improvement - Palmyra National Museum RP2 Site improvement and amenity provision - Palmyra ruin, Palmyra tombs RP4 Qasr Ibn Ma'an Lookout RP10 Soft adventure development (balloon, camel riding, Bedouin life, etc.)	SP 500 million	RP1 Museum improvement - Popular Tradition Museum RP2 Site improvement and amenity provision - Qasr al Hir Gharbi, Qasr al Hir Sharqui RP11 Hot spring development	SP 1,500 million
	Facilities and Infrastructure	FI1 Additional hotel capacity - 3 to 4-star hotels FI2 Upgrading facilities and services of hotels - 5-star hotels, 3 to 4-star hotels FI13 Construction of bypass road in Palmyra FI27 Developing water resource FI29 Construction of sewage plants in Palmyra	SP 15,000 million	FI1,3 Additional hotel capacity, and various type of accommodation - 3 to 4-star hotels, 1 to 2-star hotels FI5 Exchange offices and upgrading CBS branches' services FI7 Upgrading restaurants and theaters, and establishing new ones FI15 Upgrading bus terminals FI12 Upgrading approach roads to tourist sites	SP 10,000 million
Euphrates Zone	Resource and Product Development	RP2 Site improvement and amenity provision - Dura Europos, Rasafe	SP 200 million	RP2 Site improvement and amenity provision - Halebiye, Zalebiye, Mari, etc. RP8 Sports, recreation, culture parks development	SP 1,000 million
	Facilities and Infrastructure	FI12 Upgrading approach roads to tourist sites	SP 3,000 million	FI1 Additional hotel capacity - 3 to 4-star hotels, 1 to 2-star hotels FI7 Upgrading restaurants and theaters, and establishing new ones FI15 Upgrading bus terminals FI21 Improvement of Deir ez Zor Airport FI26 Introduction of excursion boat in the Euphrates river	SP 15,000 million





		by 2005	Cost	by 2015	Cost
Northeast Zone	Resource and Product Development	RP2 Site improvement and amenity provision - Ras al Ain RP10 Soft adventure development (balloon, camel riding, etc.)	SP 100 million	RP1 Museum establishment - Hassake Museum RP2 Site improvement and amenity provision - Ras al Ain (continued), Hassake, Qamishli, etc. RP8,9 Sports, recreation, culture parks development	SP 1,000 million
	Facilities and Infrastructure			F11 Additional hotel capacity - 3 to 4-star hotels F17 Upgrading restaurants and theaters, and establishing new ones F112 Upgrading approach roads to tourist sites F115 Upgrading bus terminals F121 Improvement of Qamishli Airport	SP 10,000 million
South Zone	Resource and Product Development	RP1 Museum improvement - Bosra RP2 Site improvement and amenity provision - Bosra, Shahaba	SP 500 million	RP2 Site improvement and amenity provision - Qanawat , etc. RP8 Site development - Yarmouk valley RP10 Soft adventure development (balloon, camel riding, etc.)	SP 1,000 million
	Facilities and Infrastructure	F112 Upgrading approach roads to tourist sites	SP 3,000 million	F15 Exchange offices and upgrading CBS branches' services F17 Upgrading restaurants and theaters, and establishing new ones F115 Upgrading bus terminals	SP 15,000 million

Source: JICA Study Team









## 12 PLAN EVALUATION

### 12.1 Economic Evaluation

#### (1) Overall Justification of the Tourism Sector

Tourism development in Syria is justified by the following three points:

- Contribution to GDP;
- Contribution to foreign exchange earnings; and
- Contribution to the employment.

##### a. Current Situation of GDP in Syria

In 1995, GDP was SP 551.7 billion. The proportion of GDP by sector indicates the "mining & manufacturing" sector in 1995 occupied 28.5 percent of the total, followed by the "agriculture" sector (20.7 %) and the "wholesale & retail trade" sector (18.5%). As customary in many countries, GDP by tourism sector is not explicitly classified in the GDP calculations. It is not possible to see the extent of contribution in GDP by tourism sector directly in the GDP statistics. Yet tourism receipt from foreign tourists is identified in the Balance of Payment statistics as an item of non-trade balance. In 1990 the net balance of travel account in the balance of payment alone amounted to about 2.2 percent of GDP, and in 1995 this percentage increased to 5.7 percent of GDP or SP 31,573 million. In fact the credit amount in Travel sector in the balance of payment for 1995 was SP 454,129 million, which is a better indicator of the size of tourism sector in Syria, indicating 8.1 percent of GDP. It is apparent that the contribution of tourism sector is not small and has been steadily increasing.

Table 12.1.1 Share of "Travel and Tourism" Sector in GDP

Unit: SP million	1990	1991	1992	1993	1994	1995
Gross Domestic Product	268,328	311,564	317,630	413,755	502,435	551,744
Account of Travel and Tourism	3,916	10,217	16,956	21,944	28,380	45,129
Ratio of tourism value in GDP(%)	2	3	5	5	6	8

Source: Central Bureau of Statistics, Statistical Abstract

##### b. Current Situation of Trade Balance

Table 12.1.2 Trend of Trade Balance

Unit: million SP	1988	1989	1990	1991	1992	1993	1994	1995
Exports (FOB)	15,093	33,740	47,282	38,504	34,720	35,319	39,818	44,562
Imports (CIF)	25,040	23,544	26,936	31,066	39,178	46,468	61,374	52,856
Balance	-9,947	10,196	20,346	7,438	-4,458	-11,149	-21,556	-8,294

Source: Central Bank of Syria

In 1995 commodity export earned SP 44,561 million and import required SP 52,856 million. As a result, the trade balance in 1995 marked a deficit of SP 8,294 million. In export, "fuel and lubricants" has the largest share of about 62.5 percent of total export value in 1995 and is the country's largest source of foreign currency. In import, the major commodity is industrial

materials with its share of 45.6 percent of the total. Growing private-sector activities and the relaxation of import restrictions are generating a large import demand. The rise in import is set to continue with increased activities in the private sector and government construction programs in infrastructure (Table 12.1.3).

Syria's current account balance of payment position deteriorated sharply in the first half of the 1980's largely due to the drop in oil export earnings and the fall in Arab aid and remittances from Syrians abroad. However balance of payment of recent years has maintained a surplus position due to the capital inflow, tourism and transfer though the trade balance has been in deficit (Table 12.1.4).

Table 12.1.3 Foreign Trade by Sector and by Commodity in 1995

Unit: SP million	Import			Export		
	Total	Private	Public	Total	Private	Public
Food & beverage	5,376	4,395	981	7,385	6,137	1,248
Industrial materials	5,341	2,303	3,037	24,084	16,251	7,833
Fuel & lubricants	27,841	39	27,803	563	41	521
Machinery & equipment	330	328	2	10,474	4,173	6,300
Transport equipment	23	22	0	7,145	5,828	1,316
Non-food consumes goods	5,647	5,597	50	2,162	1,072	1,089
Goods by passenger				1,040	1,040	
<b>Total</b>	<b>44,558</b>	<b>12,684</b>	<b>31,873</b>	<b>52,853</b>	<b>34,542</b>	<b>18,307</b>
<i>(Manufacturing except machinery)</i>						
Food Products & beverage	1,587	1,440	147	2,918	2,266	651
Tobacco products				297	2	294
Textile	4,572	4,305	267	2,918	2,266	651
Apparel, dressing, dyeing	1,029	1,021	7	7	1	5
Leather products	856	835	20	20	12	8
Wooden products	43	43		1,401	1,366	35
Paper	28	28		1,115	681	434
Publishing	108	108		53	29	24
Petroleum products	3,090	37	3,052	338	57	291
Chemicals	543	294	264	6,361	4,069	2,292
Rubber & plastic products	44	44		730	607	123
Non-ferrous	93	90	3	1,277	606	671
Basic metal	99	99		7,619	5,240	2,378
Metal products	236	234	1	2,618	810	1,807
Furniture	198	198		228	190	28

Source: Central Bureau of Statistics, Statistical Abstract 1996

Table 12.1.4 Balance of Payment in 1995

Export	132,561		
Import	137,474		
Trade Balance	-4,913		
Service Balance	15,187	Freight	-18,555
		Travel	28,863
		Others	4,879
Income Balance	-18,520	Workers Remittances	11,132
		Investment Earnings	-29,652
Transfers	20,856		
<b>Current Balance</b>	<b>12,610</b>		

Note: Unit: SP million

Export and import are based on in weighted prices of foreign exchange rate: 34.06 SP/US\$

Source: Central Bureau of Statistics

c. Current Situation of Employment and Population in Syria

A trend of population increase in Syria is very clear. The population of Syria in 1960 was 4.6

million, but by 1996 it increased to 14.6 million. The rate of increase was 3.3 percent per annum. This rate is double of the world average (1.6 %).

The rate of increase in population will decline in future, but the population is projected to reach 21.1 million by 2010.

Total number of employment in Syria was reported at 3,318,919 in 1994 (Table 12.1.5).

Table 12.1.5 Number of Employees in 1994

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%

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

Agriculture and forestry sector absorbed 27.8 percent of the total employment. Number of employment related to tourism sector such as wholesale, retail trade, restaurant and transport, storage and communication was 573,104 (17.2 % of the total). It is estimated that at least 10 percent of the number worked in tourism sector, out of which about 80 percent worked in the private sector such as hotels, restaurants, travel agencies, and transportation. With the increase in tourist arrivals the employment in tourism sector has also been increasing.

#### d. Future Economy in Syria and the Tourism Sector

##### GDP

The GDP growth rate of Syria recovered to 7 percent per annum due to the oil export, aid from Arab countries, trade with EU and tourism. However, judging from the forecast for oil prices of US\$15-17 per barrel over the 1995/98 period, along with a leveling off in Syria's crude production, oil production will not contribute to the growth of GDP in the near future. In addition, the drop in oil export earnings in Arab countries will lead to a reduction in the amount of aid to Syria.

##### Trade Balance

The inevitable relaxation of import regulations and the growing private sector activities will increase the import greatly. This trend tends to increase the deficit in trade balance to a level much more than at present, if unattended.

##### Employment

Creation of job opportunities has always been ranked high among policy options in Syria. Labor force will increase even faster from now on than in the recent past. Thus, creation of job opportunities must be ranked at the top in the framework of economic and social development policies.

Tourism Sector

The tourist receipts and travel associated income from overseas has increased from 2.2 percent of GDP in 1990 to 8 percent in 1995. This trend will continue, barring a catastrophic break down of the peace process in the Middle East. In addition, potential revenues to the government include hotel and other user or expenditure taxes, airport departure taxes, customs duties on imported goods used in tourism, income taxes on tourism enterprises and persons working in tourism and property taxes on tourism establishments.

According to Central Bank of Syria, foreign currency earnings by the tourism sector in 1995 were 73 percent of the amount shown in the balance of payment statistics (Table 12.1.6).

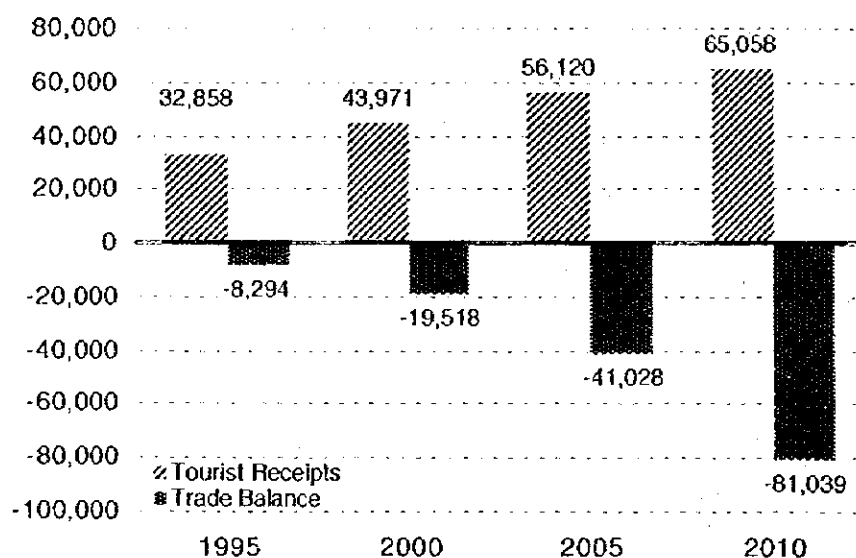
Table 12.1.6 Foreign Currency Earnings by Tourism Sector

Total Foreign Currency Earning by Tourism Sector	US\$ 730,178,950	(SP 32,858 million)
From Foreign Tourists	US\$ 317,791,000	
From Arab Tourists	US\$ 412,387,950	

Source: Central Bank of Syria, 1995

This amount exceeds export value (SP 27,841 million) of "Fuel & Lubricants" in 1995. If effective measures to improve the trade balance are not adopted, trade deficit will reach to SP 81,039 million by 2010 if the past 10 year trends in import and export continue. Tourism industry has a potential to improve the situation, if effectively promoted, judging from the growth of international tourist arrivals. The following Figure 12.1.1 shows the projection of the trade balance and the foreign currency earnings by tourism sector.

Figure 12.1.1 Projection of Trade Balance and Tourist Receipts



Source: Central Bureau of Statistics, JICA Study Team

If the contribution of tourism sector in terms of foreign currency earnings would not exist in future, balance of payment in Syria would be in a large deficit if the current trends continue.

Tourism sector also is expected to contribute to the creation of job opportunities in line with the increase in tourist arrivals. The growth rate of population and labor force between 1984

and 1991 is shown in Table 12.1.7.

Table 12.1.7 Population and Labor Force between 1984 and 1991

	1984	1989	1991	Growth rate 1984 & 1991
Population	9,616	11,719	12,529	3.85 %
Labor force	2,356	3,078	3,486	5.75 %

Source: Central Bureau of Statistics, Statistical Abstract

Direct employment is that which is involved in tourism enterprises, such as hotels, restaurants, retail shops, and tour operations. Indirect employment is the jobs generated in the supplying sectors, such as agriculture, fisheries, and manufacturing, and transportation and other services. According to the projections of the Study Team, Hotel and Holiday Villas tourist arrivals will increase to approximately 1 million (Foreign; 0.25 million, Arab; 0.74 million) in 2000 compared with 0.6 million in 1996. Tourism industry is often portrayed as a labor-intensive industry, e.g. restaurant, hotel, etc.

In order to absorb the labor force growing at the 5.75 percent per year, tourism industry is very important in terms of its ability to create job opportunities. The increase in Hotel and Holiday Villas tourist arrivals (8.02 % per annum increase, 1 million in 2000, 1.5 million in 2005, 2.6 million in 2015) can be fully expected to contribute to the direct and indirect employment creation.

The following table summarizes the potential of each economic sector of Syria in contributing to the GDP growth, the trade balance, and the employment creation.

Table 12.1.8 Contribution of Each Sector to GDP, Trade Balance and Employment

	GDP	Trade Balance(T/B)	Employment
Fuel & Lubricants	Status quo	Status quo	Status quo
Machinery & Equipment	Status quo	Worsen the T/B	Status quo
Agriculture	Status quo	Status quo	Status quo
Textiles	More contribution	Improve the T/B	Status quo
Tourism	More contribution	Improve the T/B	More contribution

Source: JICA Study Team

As illustrated above, the tourism sector has a good potential to meet the future economic needs in terms of foreign exchange earnings and creation of job opportunities.

## (2) Economic Benefit by the Plan

### a General Benefits

The tourism development is considered to bring multiple effects on the national and regional economies. Expected main economic benefits are as follows:

- Increased foreign exchange earnings;
- Creation of job opportunities and increase of incomes;
- Expansion of regional economy; and
- Multiple economic effects on the related services and industries.

These economic benefits contribute to the upgrading of the standards of living in Syria and bring about additional tax revenue to the Government.

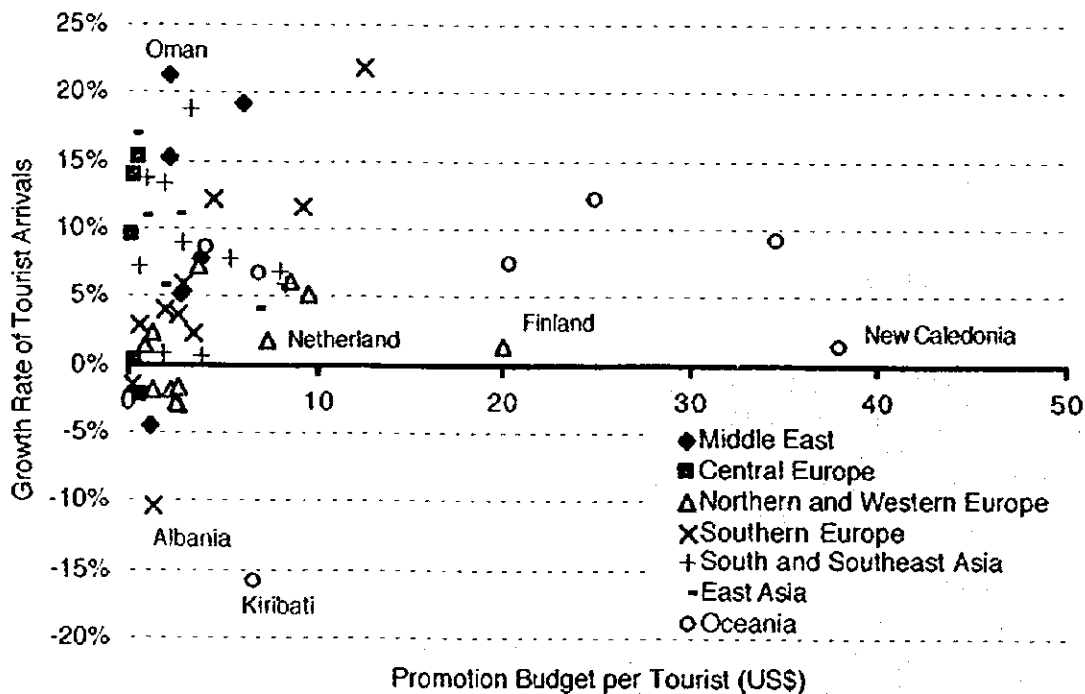
b. Generation of Economic Benefit

The case that the proposed National Tourism Development Master Plan would be implemented is implicitly assumed in the projected number of tourists in hotels and holiday villas shown in Chapter 9. (The Study Team projected 7.6 percent growth rate per annum for foreign tourists staying in hotels or holiday villas on the assumption that the proper measures would be implemented.) For the following reasons, it could be conservatively assumed that the rate of increase in the tourist number is approximately 2.0 percent less for the case that the Plan would not be implemented properly.

Figure 12.1.2 and Figure 12.1.3 illustrate the relationship between tourism promotional effort and the growth in tourist arrivals for 97 countries of all regions of the world for the period between 1991 and 1995. Tourism development effort is represented by promotional budget amount of national tourism organization. Except in Africa and in Eastern Europe where situation can not be considered normal, there is a clear tendency of increasing growth rate with respect to promotional budget amount at least within each of the regions in the world. Difference in growth rate between countries active in tourism promotion and those inactive varies depending on region. The difference is small (about 3 %) in the Caribbean and Oceania, significant in the Americas (about 5 %), and great in the middle East (over 10 %).

Syria's tourist arrivals have been growing at about 5 percent per annum and MOI's promotional budget in 1995 was US\$ 690,000. In that year the estimated hotel staying tourists numbered 441,000, giving per tourist budget of US\$ 1.56. Figure 12.1.5 shows how much countries in the world allocate tourism promotion budget with respect to the level of tourist arrivals. Syria is clearly among the low spender on tourism promotion.

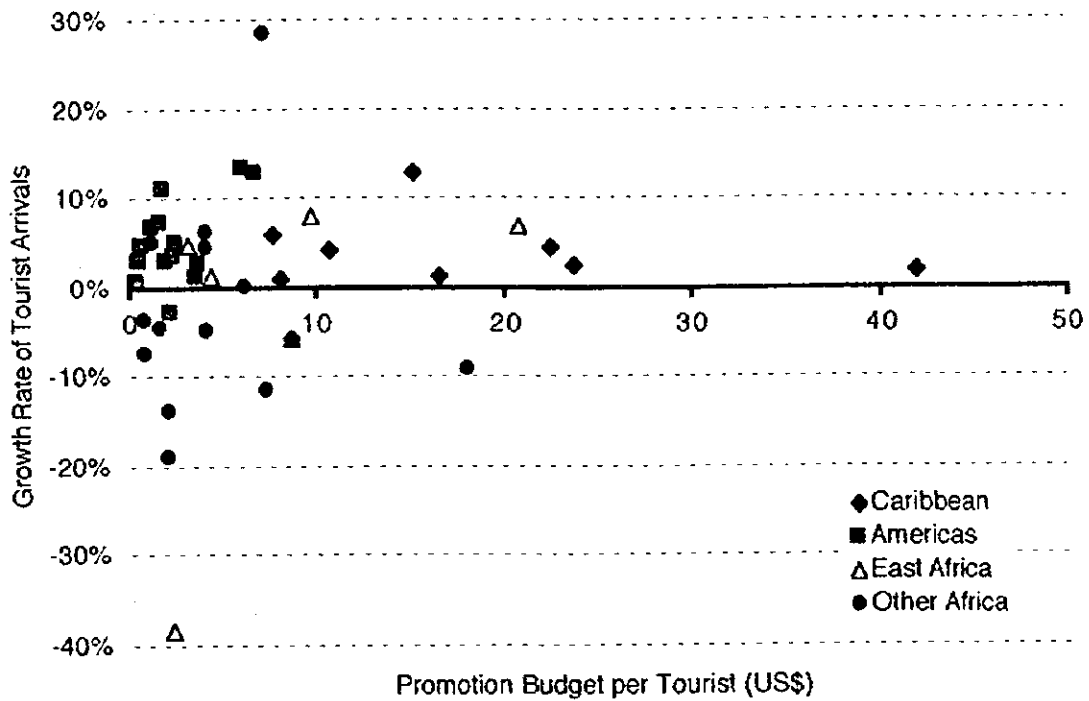
Figure 12.1.2 Tourism Promotion Effort and Growth in Tourist Arrivals (1)



Source: WTO

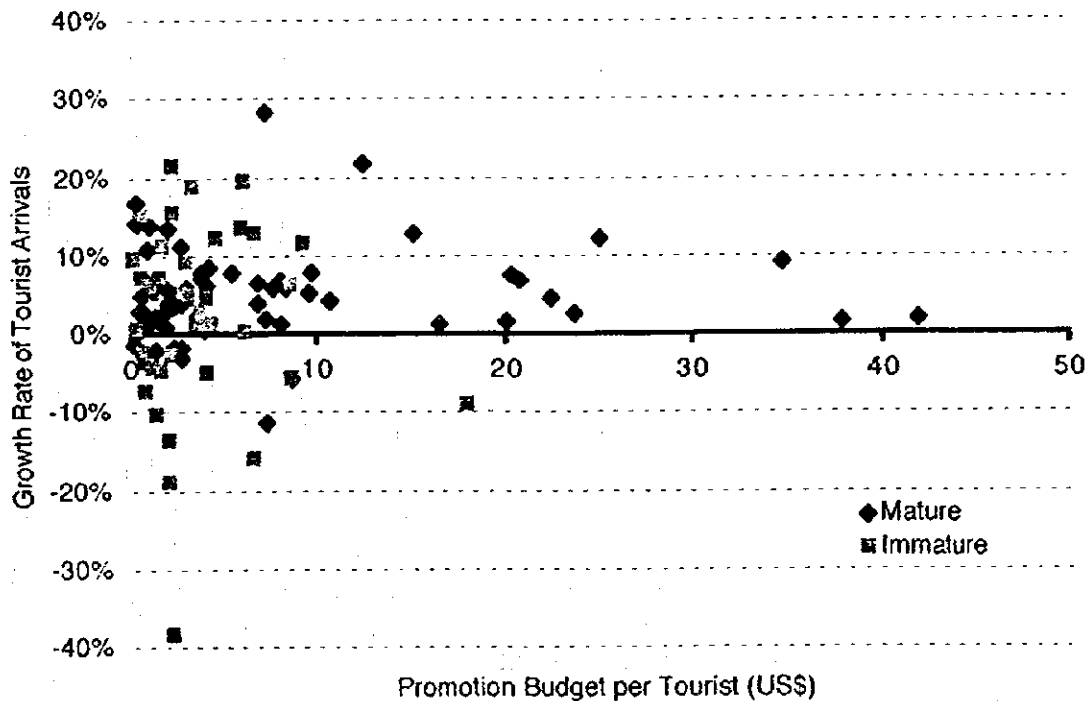


Figure 12.1.3 Tourism Promotion Effort and Growth in Tourist Arrivals (2)



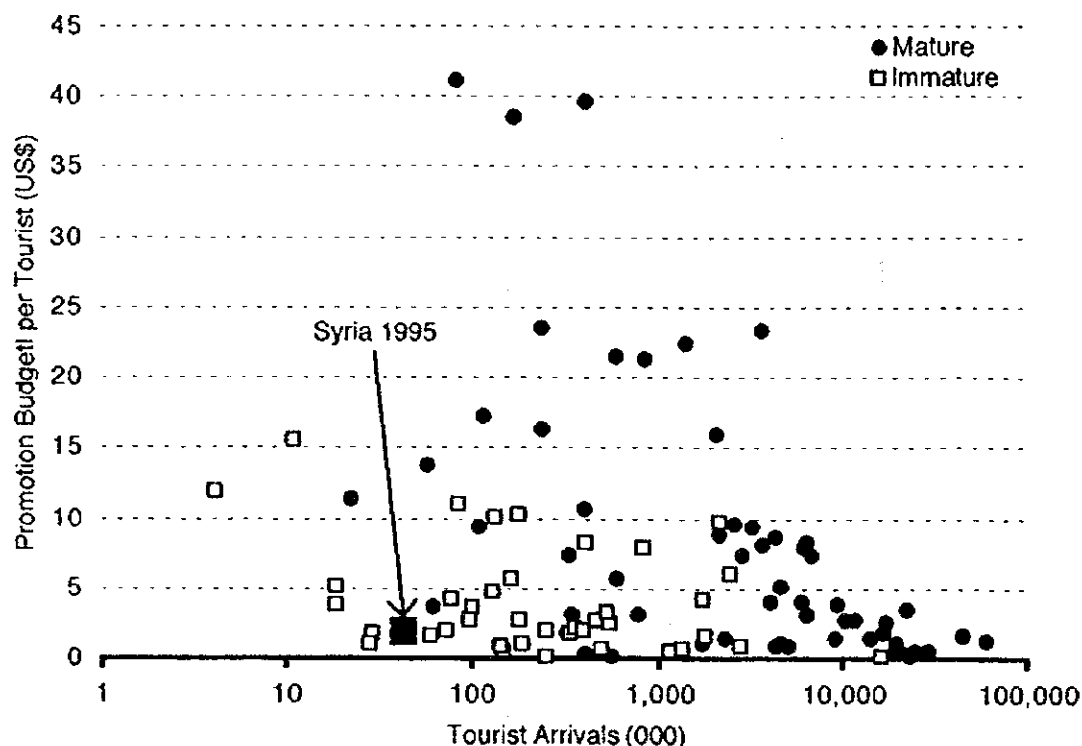
Source: WTO

Figure 12.1.4 Tourism Promotion Effort and Growth in Tourist Arrivals (3)



Source: WTO

Figure 12.1.5 Relative Promotion Levels



Source: WTO

It is therefore concluded that a proper effort to promote tourism in Syria by various means, including the proposed Priority Programs and Projects in Part IV of Volume II, would induce several points difference in the growth rate of tourist arrivals, and that the implementation of the proposed National Tourism Development Master Plan would make a difference of at least 2.0 percent in the growth rate of tourist arrivals. This difference in growth rate would result in a difference in the number of tourists in future years. The spending in Syria by those tourists would benefit direct tourism businesses such as hotels and tour agents and indirectly those supplying goods and services to direct businesses. Eventual results would be favorable multiple effects on the economy and the society including the creation of more job opportunities, the stabilization of the economy by improving the balance of payment, and the general improvement in the well being of the Syrian people.

## 12.2 Overall Evaluation

If implemented as set forth in this Master Plan, the various component plans would bring about significant benefits to the Syrian people in terms of their economic well-being, of their social development, and in terms of its environmental sustainability. The tourism industry could serve as a central element in the economic liberalization of the Syrian economy, and in its continued opening to the world economy.

It is estimated that a package tourist from the OECD countries spends approximately US\$ 755 per person per trip in Syria (breaking down broadly into US\$ 435 for lodging and meals, and US\$ 320 for other expenses) excluding air transport and agent fees paid in their home country. The average spending by individual tourists including those for business is roughly and conservatively estimated at twice the average spending by package tourists, i.e.

US\$ 1,510, because individual tourists, especially visitors for business purposes, tend to spend more for lodging, meals, and transport, due largely to unavailability of large discounts. As shown in Table 9.1.2, starting from the figure of 99,570 in 1996, the projected growth in OECD tourists are 13.1 percent p.a. through the year 2005 and 9.8 percent p.a. thereafter. If the Plan is not implemented, the growth rates are assumed to be 2 percent lower than the above as stated in the preceding Section. This difference in growth would result in the difference in the hotel staying tourists from OECD countries of 43,691 in 2005 and 221,100 in 2015. When the average spending per tourist is assume at US\$ 1,000, the additional tourist receipts could reach a level of nearly US\$ 43.7 million in 2005 and US\$ 221.1 million in 2015. Tourists receipts corresponding to the base number of tourists are US\$ 256.8 million in 2005 and US\$ 544.2 million in 2015. For simplicity, let us assume that the additional number of tourists should pay for the "soft" investments in marketing and promotion, organization and institutional development, and resource and product development, and that the base tourists should pay for the "hard" investments in facilities and infrastructure as hard investments are needed to accommodate the base number of tourists. Table 12.2.1 and Table 12.2.2 show cost-benefit analysis for the "soft" as well as "hard" investment. Justification for infrastructure component of the "hard" investments, which is by far the majority, should come from non-tourism sectors. The plan can be economically justified by taking the hard currency receipts from OECD tourists alone.

Table 12.2.1 Cost-Benefit Analysis for Soft and Hard Investment

Year	Soft Investment			Hard Investment		
	Cost	Benefit	Net Benefit	Cost	Benefit	Net Benefit
1999	19.8	0	-19.8	203	0	-203
2000	19.8	7.3	-12.5	203	43	-160
2001	19.8	14.6	-5.2	203	86	-117
2002	19.8	21.9	2.1	203	129	-74
2003	19.8	29.1	9.3	203	171	-32
2004	19.8	36.4	16.6	203	214	11
2005	27.1	43.7	16.6	300	257	-43
2006	27.1	51.4	24.3	300	277	-23
2007	27.1	60.3	33.2	300	299	-1
2008	27.1	71.1	44	300	322	22
2009	27.1	83.6	56.5	300	347	47
2010	27.1	98.3	71.2	300	374	74
2011	27.1	115.6	88.5	300	403	103
2012	27.1	135.9	108.8	300	434	134
2013	27.1	159.9	132.8	300	468	168
2014	27.1	188	160.9	300	505	205
2015	27.1	221.1	194	300	544	244
		IRR=	36%		IRR=	4%

Unit: US\$ million  
Source: JICA Study Team

The actual full economic benefit would be larger than the above amount due to the multiplier effect generated by incremental indirect and induced spending throughout the Syrian economy. Because tourism is in fact a complex amalgam of services encompassing varied areas such as transport, construction, business services, training, and local administration, in addition to the well known lodging and touring industries, its effects extend widely into any urban and rural geographic areas offering attractions of interest. The economic effects of tourism investment would encompass not only the services mentioned above (the tertiary

sector) but also manufacturing (the secondary sector) in the form of construction, furnishings, arts and crafts, apparel and other varied items. The scope of the effects of tourism investment in an economy with a considerable productive capacity such as Syria's can be quite broad.

The social impact of a successful implementation of the master plan will be quite significant, mostly favorable. Different populations stand to benefit, including rural populations currently under-employed or working abroad, low and non-skilled workers who are trainable in new skills, and women who likewise are trainable or who can open new businesses. The result of the social survey conducted by the Study Team during this Study indicates favorable opinions of local populations towards tourism development. The result is summarized in Appendix A18.9 in Volume III.

In general, the environmental impact of the implementation of the Master Plan would not be large at least for some years to come, as at present Syria's tourist sites do not suffer from capacity constraints. At some specific sites, protective measures need to be taken as an integral part of the plan.

The following table shows a assessment of economic, social, and environmental impacts of each of the component plans.

Table 12.2.1 Evaluation of Tourism Development Plans

Product Upgrading and Development	Economic	- increased tourist arrivals and days spent in Syria. - higher tourist receipts, hard currency earnings. - expanded services sector in lodging, food & beverage. - entertainment, retailing, cultural activities.
	Social	- demonstration effect on surrounding communities, positive and negative. - increasingly dispersed geographic development pattern as tour circuits extend into remote communities. - expanded opportunities for women in the formal sector in crafts, retailing, tour & museum guiding activities.
	Environment	- generally beneficial effect in controlling abuses; limited damage to ancient sites per protective measures.
Resource Preservation	Economic	- increased income-generating capacity of cultural resources for the preservation. - expansion of high value labor pool skilled in the design, management and presentation of cultural resources.
	Social	- increased involvement of local communities in historic city centers and communities near ancient sites.
	Environment	- sustainability through more intensive use of resources with preservation measures and limited damage to the resources.
Environmental Preservation	Economic	- primarily a cost; economic benefits tangible but difficult to quantify.
	Social	- positive effect on quality of life of affected communities.
	Environment	- direct benefit.
Marketing and Promotion	Economic	- creation of international business linkages with Syria which are vital for the achievement of the Resource and Product Development Plan
	Social	- positive short & long term political effect.
	Environment	- not applicable
Institutional Development	Economic	- indirect benefit through efficiency gains in regulation, revitalization of industry. - improved returns on government investments, capital expenditures.
	Social	- increased public participation in business per shrinkage of public/joint sectors in favor of private sector stimulation.
	Environment	- not applicable
Tourism Industry Vitalization	Economic	- increased value added and share of tourism in the national economy through more efficient operation.
	Social	- improvement in status of tourism related industries in the society and acceptability of tourism related employment.
	Environment	- detrimental effect without sufficient safeguards, counter measures
Human Resource Development	Economic	- increased productivity of the public and private sector labor force through acquisition of high level skills.
	Social	- increased income in line with increased productivity
	Environment	- not applicable
Tourism Facilities	Economic	- increased value added in tourism related service industries more in line with world standards of service.
	Social	- more fluid job market due to increased job opportunities and introduction of world standard skills and procedures.
	Environment	- proper management needed (EIA).
Transport	Economic	- increased efficiency of services for international tourism
	Social	- little
	Environment	- proper management needed (EIA).
Utilities	Economic	- limited effects directly attributable to tourism
	Social	- limited positive effects affected communities
	Environment	- positive

Source: JICA Study Team

### 12.3 Performance Milestones

The primary responsibility of developing the tourism sector in Syria falls in the private sector, which, unlike many of other industries in Syria, has dominated the market. However, this does not mean that the role of the government should be small. On the contrary, appropriate supporting measures administered by the government can greatly assist the private sector to grow. On the other hand, many of the existing regulations and aspects of the institutional setting in Syria that were made to suit the situation in the past are no longer appropriate under

the present situation and are slowing further growth of the sector. In this report various institutional measures are recommended. Some are institutional reforms and others new measures. It is recommended here again that those measures be implemented as soon as possible.

Although most of the institutional measures do not require much direct cost to implement (indirect cost incurred as a consequence could be large in certain cases), their implementation is generally harder than physical projects. Reasons for this difficulty are twofold: the existence of vested interests in the present ministerial framework, and secondly the difficulty in measuring clearly results. The progress of physical projects can usually be seen, but the progress of implementation of institutional measures often can hardly be visualized, and therefore can be easily ignored. It is proposed therefore that the progress of the institutional improvement measures as proposed in this report be monitored by the government and the private sector alike, using the indicators and milestones as presented in Table 12.3.1. Instead of discussing in vague generalities, the government and the private sector can measure the progress of institutional measures to support the growth of the tourism sector in Syria by referring to these indicators and milestones. The Government may set specific target milestones for each of the programs in cooperation with private sector leaders, through the mechanism of the Supreme Council of Tourism; the Government and the Supreme Council can regularly and openly evaluate the progress by comparing the indicators against these milestones.

It should be noted however that most of desirable regulatory reforms are not included in this list since their implementation would be determined in consideration of effects on the whole economy and society including many industries and citizens, and can not be decided from the narrow viewpoint of the development of tourism sector alone. Banking, foreign exchange control, and investment incentives are prime examples. Reforms are needed so that Syria's tourism can fully join the changing world market place, yet a cautious step by step approach may be warranted to avoid catastrophic social disorder encountered elsewhere. The content of the list, therefore, is limited to those measures involving only the tourism sector.

**Table 12.3.1 Institutional Measures Indicators and Milestones**

Program	Indicator	Milestone
<b>Marketing and Promotion</b>		
Public and Private Joint Committee	number of meetings	number/month
Overseas Promotion Office	number of offices	number
Media Exposure	feature articles in magazines	number of page/year
Printed Materials	materials by purpose	copies/year
Travel Agents Invitation	agents in major markets	persons/year
Overseas Syria Fair	number and budget	number and budget/year
<b>Ministry of Tourism</b>		
Strengthening Planning	number of staff	persons
	computer	number
Public Awareness	number of public meetings	number
	opinion survey results	positive persons %
Staff Training	number of trainees	persons
<b>CIQ(Customs, Immigration, Quarantine)</b>		
Fast Immigration Process	processing time	minutes/person
<b>Currency Exchange</b>		
Better Access	number of locations	number
<b>Human Resource Development</b>		
Hotel School	enrollment	persons
	teacher re-trained	persons

Source: JICA Study Team









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