

Decree Protects “Emerging Industries” Against Imports

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A new decree issued by the Syrian President on June 22 introduces a set of measures to protect the country’s “emerging industries” against competing imports.

The law is presented by the Government as a measure to protect local manufacturers as their domestic market has been flooded by imports in recent years following the signing of various free trade agreements and the lowering of customs tariffs.

Decree 24/2010 provides a protection of up to 5 years for industries, products or services deemed emerging, i.e. that provide a high added value.

Measures to protect a specific industry include an increase in customs tariffs on imported products that can compete with it or a decrease in customs tariffs for the input needed by this industry. The measures adopted must not be in violation of the commitments included in the various trade agreements signed by Syria, in particular the Greater Arab Free Trade Area and the Free Trade Area with Turkey.

According to the text of the law, the industries and companies that benefit from this protection must make sure they do not profit from the measure to increase their prices.

A new entity chaired by the Industry Minister is established to oversee implementation.

While many sectors have benefitted from Syria’s recent economic liberalization measures, manufacturing, in particular traditional sectors such as textile, has been impacted adversely by the liberalisation of foreign trade. Dozens of textile plants and workshops have reportedly closed down or reduced significantly production, in particular in Aleppo, the heart of Syria’s textile sector.

This latest decree is not expected, however, to have any effect on this industry, which can hardly be deemed emerging. The Government has not defined what it would consider as an emerging industry although the text of the decree refers to the Knowledge Industry as being a potential beneficiary of the law.