

Syria: Capital investment in Tourism

Oxford Business Group

Syria is pushing hard to sell itself as a tourism destination, increasing state funding for promotional activities, while opening up investment opportunities in the sector as it seeks to cash in on the swell in the Middle East tourist trade.

A report issued by the World Tourism Organization at the end of January showed a 13% increase in the number of international arrivals in the Middle East in 2007, more than twice the global average. However, Syria outdid all of its neighbors in the region, enjoying a 31% rise in overseas visitor numbers last year. In all, Syria attracted 3.1m foreign tourists in 2007, by far its best ever result.

To help build on this success, the ministry of tourism has allocated \$5.5m for promotional activities in 2008 and has waived or cut some of the fees for companies and travel agencies taking part in exhibitions outside Syria, local press reported.

The country aims to attract a more diverse clientele throughout 2008 and beyond.

We don't want tourists to come [only] for the usual reasons: the Europeans and Western tourists come for historical, religious and archaeological sites, while the Arabs come to enjoy the moderate summer climate and cheap prices, Faisal Najati, head of the Damascus Tourism Directorate, told local media in January.

In this respect, the country will benefit from Damascus being this year's UNESCO Arab Capital of Culture. Throughout 2008, the city will host a series of events designed to showcase Syria's cultural and historical heritage, as well as generating additional revenue.

We want to promote the festival's activities so that tourists and visitors from neighboring countries will come specifically to attend an international opera performance or visit our annual flower exhibition, Najati said.

The tourism sector is attracting not only visitors, but also capital. According to figures released by the ministry of tourism at the end of January, \$3.5bn had been invested in the sector over the past two years, with a further \$3.3bn expected by 2010. A total of 376 separate projects were launched last year, a 9% increase on 2006, and \$900m had already been committed to new developments still awaiting final approval, the ministry said.

Much of this investment is coming from the Gulf. In mid-December, the Kuwait-based Kharafi Group started work on a \$217m tourism development in Damascus that will include a 900-bed five-star hotel and accompanying retail, leisure and entertainment facilities. The project was the latest in a series launched by Kharafi in Syria and took its investments in the country to around the \$1bn mark.

With the official unemployment rate at 9%, though some estimates put it as high as 15%, tourism is playing a major part in shortening the jobless queues. Figures from the ministry of tourism show that by the end of last year, the industry employed 140,000 people, with a further 280,000 jobs indirectly linked to the sector, making it one of the largest employers in Syria.

Although it may not have the elaborate theme parks currently being developed in the Gulf states, Syria is building on its strengths in cultural diversity, thousands of years of history and varied terrain. With a recent report by think tank Global Futures and Foresight estimating that more than \$3trn will be poured into tourism and leisure across the Middle East, Syria's growing sector looks well-positioned to cash in on this trend