Tomorrow's Affairs
Analysis of today
Assessment of tomorrow

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# How Correct is Expecting Economic Benefits from Syria? (Within the Framework of Morality and Logic)

ELEGANCE

As I always reiterate, “No matter how large and capable a computer is, if you input incorrect data, it will yield wrong results.” Actually, Stephen Hawking made this statement.

Today, the far-fetched evaluations about Syria are based on the same reason. There are misconceptions we believe to be true regarding Syria, and it is necessary to address these first.

Despite the significant variability and unreliability of data due to the ongoing civil war, it may be a good start to examine some macroeconomic parameters.

Gross Domestic Product (GDP): Syria’s Gross Domestic Product (GDP) was approximately 60–65 billion USD before the war. However, it is estimated that this figure has significantly decreased due to the impact of the civil war. According to 2021 data, the GDP is projected to have dropped to around 18–20 billion USD.

Some experts even claim it is around 11–12 billion USD. For comparison, this is less than one-tenth of the annual revenue of Mercedes-Benz. There will be those who say, “If half the glass is full, we can fill the other half.” Here, it is most rational to consider partnerships with people knowledgeable about the region before investing.

Exports: For those thinking of “opening a company here and exporting to the region,” let me provide some information. Syria's exports were around 15–20 billion USD before the war, but they saw a significant decline due to the conflict.

As of 2021, the annual export figure is estimated to be around 1–2 billion USD. Agricultural products are among the primary export goods. However, even during the most amicable times with its neighbour Turkey, Syria could not export over 250 million USD. Opening a company to import products to sell initially seems the most reasonable.

Imports: Let’s say we are going to engage in imports. Syria's imports were around 18–22 billion USD before the civil war. In recent years, this figure has dropped to the range of 5–8 billion USD.

Basic necessities such as energy, food, medicine, and raw materials are the most imported goods, but are likely managed by individuals close to the regime. It’s not difficult to predict that there will now be a significant need.

## There is still clandestine trade going on

However, humanitarian aid calls are being made. At this stage, I suspect that there is still clandestine trade going on because people of all income levels still reside in Syria.

There seems to be a considerable market for essential needs such as construction materials, furniture, communication equipment, textiles, food, beverages, and medical supplies. Of course, let's not forget generators and other energy equipment.

Unemployment: Now, for those saying, “There is idle labour, potential is high,” here is some information for you too. Unemployment rates in Syria have significantly increased due to the war. As of 2021, it is estimated that the unemployment rate is between 25% and 40%.

In my opinion, it must be approaching 50%. The war caused many people to withdraw from the labour market and led to the closure of businesses. Generally, small business owners had shut down their shops. The education level is in a dramatic status and since there are no large factories or high technology, it might make more sense to assess the labour supply in service sectors such as healthcare and tourism.

The increase and acceleration of trade will also be an important momentum for the development of Syria, which has ports.

Inflation: Without looking at deceptions like purchasing power parity, inflation rates in Syria, where the minimum wage is around 25 USD, were over 100% as of the latest data in

2021.

The prices of basic food items and other necessities were continually rising, which supports the assertions I made above. Currently, I can say that the inflation or cost of living level favours those who operate with a "hit-and-run" mentality rather than those who conduct honest business.

We cannot know whether unjust enrichment will give way to a fairer process with the fall of the Damascus regime. We must wait and see.

## The oil in Syria is not large enough to support a development

In summary, if Syria's growth rate is around 7 to 10% on average each year over the next five years, it could potentially elevate itself first to the level of Laos, then to Oman or Sri Lanka.

However, this does not mean that "Syria has developed." Without taking steps in education, justice, rights, and freedoms, high growth rates will only raise numbers.

I can almost hear those saying, "But Syria has oil." Let me explain that. Before the war, over 90% of the oil exported by Syria went to European Union countries. In 2010, 32% of the oil exported by Syria was purchased by Germany, 31% by Italy, 11% by France, 9% by the Netherlands, 7% by Austria, and 5% by Spain.

However, the total amounted to less than 500 million USD annually. Syria is already ranked 34th in terms of reserve size globally. The reserve sizes of Iran and Iraq are more than 50-60 times that of Syria. This indicates that EU countries have mixed "a bit of politics and a bit of trade."

In summary, if we say, "Even if it doesn't flow, it drips," it suggests that the oil in Syria is not large enough to support a development initiative.

*It seems unlikely that Syria will create significant economic benefits for anyone in the next five years, provided things go smoothly - Emre Alkin*

Additionally, there is the Arab Natural Gas Pipeline Project, but under the current conditions in Syria, its progress is likely to be postponed. Nevertheless, it holds potential for the distant future.

In conclusion, from a rational and logical standpoint, it seems unlikely that Syria will create significant economic benefits for anyone in the next five years, provided things go smoothly.

However, we should not forget that it is an important strategic transition point due to its location. It wouldn't be wrong to say that Turkey and Israel's security and strategic priorities are more predominant.

Furthermore, it should be emphasised that taking advantage of Syrians who have experienced oppression and misery under a terrible regime would be, in simple terms, immoral and unprincipled.

Therefore, we should regard 2025 as the year of Syria's rehabilitation. However, this period should not be extended; otherwise, instability will dominate the region, which is already sufficiently prevalent.