

## Syrian-Saudi Trade Flowing despite Political Disagreements

Contributed by Egypt News  
Tuesday, 13 October 2009

Trade relations continue to grow between Syria and Saudi Arabia, despite differences of opinion regarding events in the Middle East

Trade between Syria and Saudi Arabia is set to increase following a visit by the Saudi ruler.

With Saudi competing with Egypt for the leadership of the region's Sunni Muslims, and Syria an ally of Shiite Iran, the two countries are often seen as occupying opposite ends of the Middle Eastern political spectrum.

"What is interesting is that in spite of the fact that the political relations are relatively cool, they have strong economic ties," Jihad al-Yaziji, publisher of the Syria Report business newsletter, told The Media Line.

"The interesting difference is with Iran, with whom Syria has very strong political ties but relatively limited business and economic ties," al-Yaziji said.

"One of the reasons for these strong ties is that you have a large Syrian expatriate community in Saudi Arabia, numbering several hundred thousand. Saudi Arabia is also one of the important investors in Syria, you don't have many large foreign investors in Syria but investors from Saudi Arabia are among the most important, with hundreds of million of dollars of investment," al-Yaziji continued.

During the visit the number of agreements was actually limited, one agreement is due to end double taxation, another agreement aims to set up a joint business forum in the coming months. Trade barriers on olive oil and ceramics were also lifted.

Saudi Arabia is Syria's second largest trade partner. Trade is worth \$2 billion, with \$1.2 billion of Syrian goods being exported to Saudi Arabia, and \$800 million worth being exported from Saudi Arabia to Syria.

"For instance you have the Saudi Bin Laden Group, which is active in the real estate and hospitality sector who are building several factories to produce material for the building sector," al-Yaziji said.

In addition, the Saudi investment bank has recently finished its Initial Public Offering (IPO) and will open its branch in Syria within the coming weeks.

King Abdullah's three-day visit is a reciprocal one, having hosted Syrian President Bashar Assad twice in the past six months.

Saudi Arabia is also more closely aligned with the Palestinian Fatah leadership, while Damascus supports Hamas and even hosts its leadership in the capital.

Relations between the two countries have been strained since the 2005 assassination of former Lebanese Premier Rafik Hariri, who was a close ally of Saudi Arabia and close to the kingdom's ruling family. The Syrian regime has been accused of having a role in the killing, although Damascus denies involvement.

EGYPT NEWS