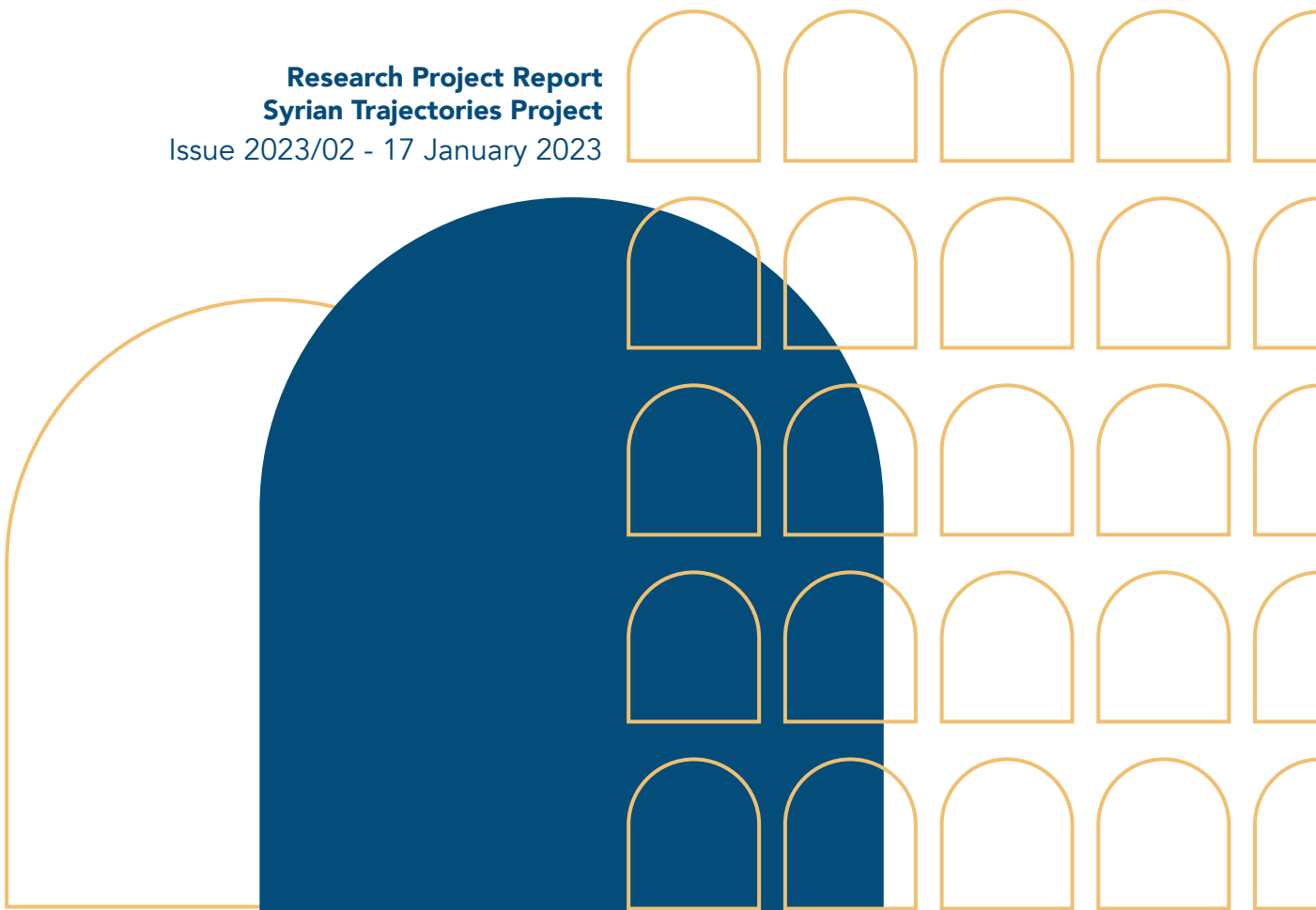


The 2022 Syrian Chambers of Industry and Syrian Federation of Chambers of Industry Elections: Dynamics, Results and Implications

Joseph Daher

Research Project Report
Syrian Trajectories Project
Issue 2023/02 - 17 January 2023



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Published by
European University Institute (EUI)
Via dei Roccettini 9, I-50014
San Domenico di Fiesole (FI)
Italy

This project is funded by the European Union and Germany as part of the Syria Peace Initiative implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Views and opinions expressed in our publications are solely those of the individual authors and do not represent those of donors, GIZ, or European University Institute.

The 2022 Syrian Chambers of Industry and Syrian Federation of Chambers of Industry Elections: Dynamics, Results and Implications

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Executive Summary

During the 1980s the importance of Syria's Chambers of Industries began to increase following the intensified liberalisation of the economy after the fiscal crisis and as the economic networks linked to the Syrian regime started to consolidate. Representation of business and economic chambers and associations, including of the manufacturing sector, continued to expand throughout the 2000s with the accelerated economic liberalisation of the country after the arrival in power of Bashar al-Assad. The elections of the boards of directors of the chambers of industries generally did not witness any forms of significant competition. However, the 2022 elections of the heads of the Damascus and Rural Damascus Chamber of Industry and of the Syrian Federation of Chambers of Industry brought about significant changes.

At their core, the 2022 elections and the composition of the boards of directors reflect different dynamics within the manufacturing industry: first, the continual weakening and difficulties of the manufacturing sector reflected in the lack of new emerging businessmen; second, the rise of the food industry as a leading branch in the sector; and lastly the elections demonstrated the ongoing economic weakening of Aleppo and its network of businessmen.

The election of a new chairman of the Syrian Federation of Chambers of Industry demonstrates the dependence of business personalities on close connections with the Presidential Palace in order to rise to particular official positions. At the same time, newly elected businesspersons can play a role in fostering economic normalisation of the Syrian regime through their positions in business councils.

The changes in these entities will, however, not transform the general political economic orientation of Damascus towards the manufacturing sector, which is not a priority for the Syrian government despite its rhetoric in favour of it.

Introduction

During the 1980s after the liberalisation of the economy intensified after the fiscal crisis and economic networks linked to the Syrian regime began to consolidate, the roles of Syria's chambers of industries (Cols) started to expand. Like the chambers of commerce and professional associations such as the General Federation of Trade Union Workers and the General Federation of Peasants, the structure and the composition of the boards of the chambers of industry, and of the Syrian Federation of Chambers of Industry (SFCI) afterwards, were closely monitored and controlled by Damascus. However, the chambers of industry were generally less influential than the chambers of commerce in Syria. There are two reasons for this. First, after the progressive liberalisation of the economy in the 1980s the country's political economy favoured trade and services. Second, most state officials and figures close to the Presidential Palace who entered the business field in this period chose to invest in trade and services due to their potential to provide rapid returns, in comparison to industry, which requires more long-term investments.¹

Representation of business and economic chambers and associations, including of the manufacturing sector, continued to expand in the 2000s after the arrival in power of Bashar al-Assad and the accelerated liberalisation of the economy. Significant business figures held leadership positions in these associations and chambers, such as Imad Greiwati, who emerged during Bashar al-Assad's era and initially headed the SFCI, which was established in 2006. Most of the elections of the boards of directors of the Cols were without intense competition, with most of the candidates winning without a contest. Most recently, in late 2022, the boards of directors of the four Cols and of the SFCI were renewed. The main change in the latest election compared to the previous elections since 2010 was replacement in the same year of the chairmen of the Damascus and Rural Damascus Chamber of Industry (DRDCI) and of the SFCI by business personality Muhammad Ghazwan al-Masri.

This paper sheds light on the dynamics surrounding the election and the new composition of the Cols and the SFCI's boards of directors and executive bureaus. This research is important for two main reasons. First, these boards are constituted by significant Syrian businessmen, although ones not as influential as those in the chambers of commerce, who are usually affiliated with the centre of power. Second, changes in the composition of the boards and executive bureaus have usually reflected new dynamics in the manufacturing sector. In this perspective, analysis of the Cols and of the SFCI advances our understanding of the development of businessmen networks in Syria, and more generally of the political economy of the country.

Based on a series of interviews and data collected from official social media accounts and official media coverage, this paper illustrates the structures of the Cols and of the SFCI and the procedural rules regarding their composition and organisation. It analyses the election process and composition of the boards of directors and executive bureaus of the Col and of the SFCI. The main dynamics reflecting transformations in these chambers are then studied. Finally, the paper examines the rise of business personalities to the detriment of others while looking at the Syrian regime's economic and political strategy through the promotion and selection of new business individuals.

1. Overview of the Syrian Cols and the SFCI

The structure and organisation of the Cols and the SFCI are governed by Law No. 52 of 2009, which replaced Law No. 35 of 2004.² Elections in the Col have generally witnessed very low levels of competition. They have been used by the regime to advance and promote businessmen affiliated with the Presidential Palace who have shown strong support for it and served its interests.

1 Bassam Haddad, "The Syrian Regime's Business Backbone," *Middle East Report* 262 (Spring 2012), <https://bit.ly/3l0jgvN>

2 Law No. 35 of 2004 replaced Law No. 133 of 1938 and the provisions relating to the chambers of industry contained in Law No. 131 of 1959.

1.1 Structure, Roles and Responsibilities

There are only four Col in the country: Damascus and Rural Damascus, Aleppo, Homs and Hama.³ The other governorates have chambers jointly representing the commerce and industry sectors.⁴ Each chamber has a board of directors consisting of 18 seats, which are allocated according to the number of registered industrialists in four business sectors: textiles, engineering, agro-food and chemicals. While two-thirds of the members are elected by their peers, a third are appointed by the Ministry of Industry (MoI). These appointees include public sector cadres, private manufacturing industrialists and women and businesspersons from religious minorities because they generally fail to be elected. Both the elected and appointed members serve four-year terms. To run for election, a candidate must meet five conditions set forth in Article 22 of Law No. 52 of 2009, including an official registration with the chamber and owning an industrial facility operating for at least three years prior to the election, not being a member of the board of directors of another chamber of industry, commerce or agriculture, no financial debts to the chamber, and not having been convicted of any crime. Each Col's board of directors elects an executive bureau, which is composed of seven members: the chairman, two vice-chairmen, a secretary, a treasurer and two other members. The Cols are members of and supervised by the SFCI, which was established in October 2006 and is headquartered in Homs city. The SFCI's board of directors and executive bureau are formed following the elections in the four Cols. The SFCI's board of directors is composed of 18 members, who elect its executive bureau (See Table 1).

Table 1: The Structure of the Syrian Federation of Chambers of Industry

The Board of Directors is composed of 18 members:

1	Chairmen of the chambers of industries
1	Vice-Chairman of the DRDCI
1	Vice-Chairman of the ACI
2	Representatives of the DRDCI
2	Representatives of the ACI
1	Representative of the Hama Chamber of Industry
1	Representative of the Homs Chamber of Industry
6	Members appointed by the Ministry of Industry

The Executive Bureau is composed of seven members elected by the Board of Directors:

1	Chairman
2	Vice-Chairmen
1	Secretary
1	Treasurer
2	Members

Source: Syrian Arab Republic – People's Council, "Legislative Decree 52 of 2009 Organising Industrial Chambers" (in Arabic), 7 September 2009, <https://bit.ly/3Zfl5bz>

The Cols officially represent the interests of manufacturing industrialists in different sectors and provide them with a means of networking and information, training and consulting services. They also contribute to fostering industrial development and investments, and participate in consultations and meetings with

³ In April 2022, a new Chamber of Industry in Tartous was established, but it was later suspended over a conflict between businesspersons in the governorate and the Ministry of Industry.

⁴ See Joseph Daher, "The Syrian Chambers of Commerce in 2020: The Rise of a New Business Elite," Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, November 2020), <https://bit.ly/3QjMLsF>

the government to promote the manufacturing industry.⁵ For its part, the SFCI operates to promote the Syrian manufacturing industry. It represents the Cols at economic and social national and international conferences, sponsoring and serving the interests of industrial manufacturers, coordinating and directing the activities of its constituent chambers, enhancing cooperation among them, organising local and international conferences, seminars, exhibitions and other types of events.⁶ The chairman of the SFCI is also a member of the Government Advisory Council, which advises the government on economic matters such as export subsidies, the informal economy, public sector reform and promoting business activities that replace imports. However, the Council does not often meet and has almost no influence on the government's economic policies.⁷

After the eruption of the war in 2011, the Cols and the SFCI continued to organise training sessions for their members on particular issues, such as on the new taxation law, and to organise various types of exhibitions within and outside the country to promote Syrian production. Their aim to support the industrial manufacturing sector was, however, restricted by mid-2011. Therefore, they focused on drawing up legislation to protect the industrial sector and support exports of Syrian manufactured goods, while encouraging decisions by the government guaranteeing the provision of required goods and energy resources, particularly fuel and electricity for industrial facilities and factories. In the case of Aleppo, for instance, additional demands have often been made to create special assistance funds or specific measures to encourage the reconstruction or restoration of damaged or destroyed industrial areas. In general, these demands have been only partially met, and the manufacturing industry continues to face growing problems and limitations affecting the entire sector.

1.2 Col and SFCI Elections: A Tool to Consolidate Pro-Regime Businessmen Networks

Following the eruption of the war in 2011, there were major changes in the composition of the boards of directors of the Cols. This is because large numbers of members of the Cols had left the country. In June 2012, Fares al-Shehabi became chairman of the SFCI, replacing Imad Ghreiwati following his departure from Syria to the United Arab Emirates (UAE) in early 2012 and his lack of support for the Syrian regime. Moreover, at the beginning of 2014 the Mol appointed new members to replace absentees in the boards of directors of the Cols in Damascus and Rural Damascus, Aleppo, Homs and Hama. These replacements were officially only a consequence of the absence of some board members, which prevented the boards from reaching the quorum required to organise meetings. However, some figures were replaced by the authorities either due to their support for the uprising or their lack of support for the Syrian state.⁸ Between February and April 2014, the Cols of Damascus and Rural Damascus, Aleppo, Hama and Homs had totals of five, seven, nine and four new members of their board of directors respectively.

In October 2014, the first elections since 2010 were held but without a contest as only one list of candidates was put to the vote in each chamber. The DRDCI witnessed a large change in its board of directors, with 14 new members out of 18. In Aleppo, the outcome of the election was relatively more balanced, with half of the members of the board being new entrants. In Homs and Hama there were respectively 11 and 14 new members. In leadership positions, al-Shehabi and Muhammad Labib al-Ikwan respectively remained the chairmen of the Aleppo Chamber of Industry (ACI) and the Homs

5 Syrian Arab Republic – People's Council, "Legislative Decree 52 of 2009 Organising Industrial Chambers" (in Arabic), 7 September 2009, <https://bit.ly/3Zfl5bz>

6 Ibid

7 The Syria Report, "New Members Appointed to the Government Advisory Council," 4 December 2019, <https://bit.ly/3WtckJQ>

8 Imad Ghreiwati and Mohammad Zaher Daaboul are prime examples. Both were replaced within the Damascus and Rural Damascus Chamber of Industry (DRDCI). In December 2013, their names appeared in state-sponsored media in a list of investors owing money to local banks. Moreover, the Syrian government seized the assets of Imad Ghreiwati and of several of his family members in 2017. The Syria Report, "New Boards at Aleppo and Damascus Chambers of Industry," 24 February 2014, <https://bit.ly/3vJoNO3>

Chamber of Industry, while Samer al-Debs and Ziad Abd al-Karim Arbo respectively became the new chairmen of the DRDCI and the Hama Chamber of Industry. There were several cases of candidates withdrawing before the election day. In Damascus, Bassel Hamwi and other key figures in the Col withdrew their candidacies only a few days before the election. Similar dynamics occurred in the other Col elections. As in 2014, the 2018 election did not witness any form of competition, except in Homs. Al-Shehabi, al-Debs, al-Ikwan and Arbo kept their seats.

The 2022 Col elections were no different from the previous two. In Homs and Hama, the chairmen remained the same and the candidates were elected without competition. In the DRDCI, after five candidates were not included because they failed to meet all the eligibility requirements, the total number of candidates who ran for election was 18, for 12 available elected seats. In this context and as a result of the lack of candidates, all the board members in the textile (Muhammad Nasser al-Sawah, Muhannad Daadoush, Nureddin al-Samaha and Adham al-Tabbaa) and food sectors (al-Masri and Talal Qalaaji) were elected without competitors before the date of the election. The two sectors that witnessed competition were the chemical and engineering sectors, with respectively four and two seats to fill. In these two sectors, two main lists of candidates were competing. The four candidates on the list called 'Up to Responsibility' led by al-Debs,⁹ the Member of Parliament (MP) and chairman of the board of directors of the DRDCI since 2014, won the election in both sectors against the 'Industrial Hope List' led by Dr. Ammar Maatouk.¹⁰ The candidates on the 'Industrial Hope List' campaigned as representing change, a new generation of industrialists wanting to open "a new industrial era."¹¹

In the election for the executive bureau some changes in leadership positions occurred. Muhammad Ghazwan al-Masri became the new chairman instead of al-Debs (See Appendix, Tables 2 and 3).¹² Louay Nahlawi remains in the position of vice-chairman of the DRDCI. He is also chairman of the Industrial Exporters Committee, which is affiliated with the SFCI and was established in 2019. The other vice-chairman of the chamber is Qalaaji, who occupies the position for the first time. Qalaaji has been a member of the board and chairman of the food sector in the DRDCI since 2014, and also became the vice-chairman of the Arab Exporters Union in 2021. As for appointees, the Mol appointed six individuals who are officials in the state's public industries and representatives of the private sector, such as businesswoman Aseel Naji and a businessman of a religious minority (Christian), George Daoud, who was elected treasurer of the Chamber. All the appointees were new members, making a total of 8 new members of the board of directors out of 18.

The election of the ACI board of directors witnessed even less competition than in the DRDCI. This was the result of the exclusion of ten individual candidates, relatively unknown personalities,¹³ and moreover due to the absolute domination of al-Shehabi's list, the 'Aleppo Citadel of Industry.' During the election campaign al-Shehabi and the candidates on his list organised several events, including a dinner at the Shahba hotel in Aleppo gathering more than 1,000 industrialists.¹⁴ The only sector that witnessed an election was the textile sector, where Louay Toman lost to the candidates on al-Shehabi's list.¹⁵

9 Al-Debs was accompanied by other senior figures and board representatives, including Muhammad Akram al-Hallaq, Muhammad Ayman al-Mawlawy and Hissam Abidin.

10 Dr. Ammar Maatouk is the son of the famous businessman Dr. Adnan Maatouk, who is an ex-member of the board of directors of the DRDCI and a former member of the board of directors of both the Syrian Exporters Federation and the Arab Insurance Company – Syria. His son, Dr. Ammar Maatouk, is a member of the Industrial Youth Council of the DRDCI. He was accompanied on his list by Ghiath al-Shami (a member of the board of directors of the Adra Industrial City representing Medium Enterprises), and Omar Barbour (owner of the al-Amal company for printing and packaging, which was established in the 1950s. The company also has a branch in Jordan)

11 Syrian Industrial News, "The Election Manifesto of the Industrial Hope List" (in Arabic), *Facebook*, 27 October 2022, <https://bit.ly/3NaG4aS>

12 Muhammad Akram al-Hallaq, another relatively prominent member of the DRDCI since 2014, was also not elected to the executive bureau. He was a close associate of Samer al-Debs.

13 Khaled Zinklo, "'Aleppo Industry' Will Live in an Atmosphere of Elections after the Supervisory Committee Accepts the Nomination of 15 Applications," (in Arabic), *al-Watan*, 12 October 2022, <https://bit.ly/3TVyanW>

14 Fares Shehabi, *Facebook*, 27 October 2022, <https://bit.ly/3DG0KEr>

15 In the engineering sector, the former ACI vice-chairman, Henry Addamiya, withdrew his candidacy just before the election day, allowing Muhammad Ziad Ubary and Nidal Sheikho to be elected without competition. Addamiya was, however, later appointed by the Syrian Mol.

Al-Shehabi and Mustafa Kawaya remain respectively chairman and vice-chairman of the ACI (See Appendix Tables 4 and 5). The other vice-chairman is Abdel Latif Hamadeh, who has been a member of the ACI board of directors since 2018 and is also a member of the Industrial Exporters Committee. It is the first time he has occupied this position in the ACI. Other key members also maintain their positions in the executive bureau, such as Muhammad Rafaat Shama, acting as secretary of the ACI. Like the DRDCI, the MoI appointed to the board of directors state representatives and businesspeople from religious minority backgrounds: an Armenian businesswoman, Annie Markossian, who had already been appointed in 2018, and Henry Addamiya (Christian), who was elected as a member of the executive bureau, and was one of the two vice-chairmen in the previous board between 2018 and 2022. In total, there are 6 new members of the board of directors out of 18.

After the elections of the boards of directors and executive bureaus of the four CoI, the board of directors and executive bureau of the SFCI were elected at the end of November 2022. The SFCI witnessed several changes in its executive bureau (See Appendix Tables 6 and 7). The most important of these was the election al-Masri as the new chairman instead of al-Shehabi, while neither of the two new vice-chairmen are from Aleppo, nor are any members of the executive bureau.

2. Elections and Composition of the Syrian COIs and the SFCI: Dynamics Weakening the Manufacturing Industry

The composition of the leadership of the different CoIs and the SFCI reveal the deepening of three main dynamics in the economic landscape: a marginalisation of the manufacturing sector; within it a rise of the food sector; and a weakening of Aleppo.

First, the lack of new emerging business figures in many chambers indicates a continual marginalisation of the manufacturing sector. Some of the newly elected members like al-Sawah in Damascus have a strong commercial identity – alongside their industrial activities – and have been increasingly active in trade.¹⁶

Indeed, the manufacturing sector is facing continual deep challenges which are structural and have been worsening in the past few years. Al-Masri, the new chairman of the SFCI, announced to the industrialists in mid-December 2022 that the MoI had decided to introduce new electricity rationing hours in the active industrial cities affiliated with the MoI (Aleppo (Sheikh Najjar), Homs (Hessia), Damascus (Adra)).¹⁷ This measure followed weeks of widespread energy shortages (gas and fuel oil) throughout the country, resulting in near total shutdowns in different economic sectors, particularly in the manufacturing industrial sector, and a surge in the price of fuel oil on the black market. An owner of a pharmaceutical business in Aleppo explained that the price of diesel doubled from SYP 6,000 (equivalent in this period to USD 2 at the official exchange rate of 3,015 SYP/USD) in October 2022 to SYP 12,000 (USD 4) in December 2022. Moreover, access to diesel and fuel oil became very difficult and dangerous because of the threat of arrest by local authorities for purchasing these items on the black market.¹⁸ In addition to this, large numbers of industrialists have been suffering harassment and raids by officials from the Ministry of Finance or from the Border Control authorities, and forms of extortion by the security apparatus and other actors connected with the regime.¹⁹

16 He was chairman of the Syrian Exporters Federation until its dissolution in 2019, and is currently chairman of the regional office of the Arab Exporters Union, which was established in Damascus in 2008. He has been involved in the textile sector since he was young, but has been increasingly active in trade, with the opening of his first export warehouse centre in the Gulf region in 2000 and another in France in 2003. Al-Estiklal Newspaper, "Muhammad al-Sawah. An Economic Puppet in the Hands of al-Assad to Bypass Sanctions With the Countries of the World" (in Arabic), 2 September 2022, <https://bit.ly/3GK52fJ>

17 Jelnar al-Ali, "From Thursday Noon Until Sunday Morning. Industrial Cities Are Not Exempt from Electrical Rationing" (In Arabic), *al-Watan*, 14 December 2022, <https://bit.ly/3UVZdzF>

18 Interview with a Syrian businessman based in Aleppo, December 2022.

19 See Sinan Hatahet, "To Stay or To Leave? The Dilemma for Independent Syrian Businessmen," Policy Brief, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, November 2021), <https://bit.ly/3P73TkR>

More generally, the size of capital investments in the manufacturing industrial sector in the first half of 2022 was much less significant than in the same period in 2021, totalling SYP 74 billion (equivalent in this period to USD 26.4 million at the official exchange rate of 2,814 SYP/USD) in comparison to SYP 211 billion (equivalent in this period to USD 84.4 million at the official exchange rate of 2,512 SYP/USD).²⁰ This represents a reduction in the capital value of these investments of 65% and 69% in SYP and USD terms respectively compared with the previous year. At the same time, the number of planned projects licensed by the Mol in the first six months of 2022 underwent a significant reduction in comparison to the same period last year, from 950 projects, which were expected to create 8,858 job opportunities, to 515, which should potentially generate 3,822 job opportunities. This represents a 46% decrease in planned licensed projects.²¹

Second, the composition of the boards of directors of the Col demonstrates the importance of the food sector in Syrian industry. Indeed, representatives of this sector occupy the highest positions in many chambers (chairs of the SFCI, the DRDCI and Hama Col, vice-chairs of the SFCI, DRDCI, Hama Col and Homs Col. As in previous years, the food industry attracted most investment projects in the first six months of 2022: 141, followed by the engineering (132), chemical (91) and textile (44) industries.²² In contrast, challenges and destruction of the textile industry affected Aleppo's manufacturing industry. The textile industry with thousands of small workshops represented the largest segment of the industrial manufacturing sector in Aleppo, and is the most important branch represented in the ACI with 6 seats. By the end of 2013, of the 962 destroyed or damaged industrial factories in Aleppo, 465 were in the textile industry, almost half the total.²³ The percentage of textile workshops and factories in the total number of industrial establishments in the country declined from 15% in 2010 to 2.9% in 2022.²⁴ Similarly, the total production of the remaining clothing factories, which are a key part of the textile industry in Syria, decreased by 70% between 2011 and 2021.²⁵

Finally, the composition of the new SFCI executive board indicates a continuation of the economic weakening of Aleppo in comparison to Damascus, which has expanded considerably since 2011.²⁶ The volume of investments and the geographical distribution of the manufacturing projects that started production in the first six months of 2022 illustrate this trend. Damascus ranked first with a total of 118 projects,²⁷ while Aleppo had a total of 80 projects.²⁸ At the same time, of the two large-scale investment projects under Investment Law No. 18 of 2021, neither were in Sheikh Najjar Industrial City in Aleppo, unlike Adra Industrial City in Damascus, which welcomed one.²⁹ More generally, the Sheikh Najjar Industrial City is far from able to compete with Adra Industrial City. The numbers of active industrial

20 Industrial projects generated 1,851 work opportunities in 2022 and 1,099 in 2021. Approximately 219 projects with a total capital investment of SYP 17.1 billion (equivalent in this period to USD 6.085 million at the official exchange rate of 2,814 SYP/USD) were implemented under Law No. 21 of 1958, including investments in the industrial manufacturing sector and principally small- to medium-sized enterprises. Around 187 projects with a total capital investment of SYP 3.35 billion (USD 1.19 million) were implemented under Legislative Decree No. 47 of 1952, which concerns investments in the crafts industry. Only two projects with a total capital investment of SYP 53.78 billion (USD 19.1 million) were implemented under Investment Law No. 18 of 2021, which pertains to relatively large-scale projects. The Syria Report, "Manufacturing Sector Still Far from Recovery, Mid-Year Data Reveals," 11 October 2022, <https://bit.ly/3UFwtec>; Industry News Syria, "408 New Industrial Facilities Entered the Production Stage Within 6 Months" (in Arabic), 9 October 2022, <https://bit.ly/3W3SzJa>

21 Industry News Syria, "408 New Industrial Facilities Entered the Production Stage Within 6 Months."

22 Ibid.

23 The Syria Report, "Aleppo's Textile Factories among Most Affected by War, Data Show", 8 September 2014, <https://bit.ly/3CvZ9jJ>

24 Ali Mahmoud Suleiman, "40% of Syrian Industry is in Textiles..." (in Arabic), *al-Watan*, 22 November 2022, <https://bit.ly/3hOwQFw>

25 Abdel Rahman Kheder, "The Syrian Clothing Industry Loses 70% of its Production" (in Arabic), *al-Araby*, 25 August 2021, <https://bit.ly/3YK10uN>

26 By 2007, Sheikh Najjar's Industrial City was Syria's largest in terms of the number of projects under operation and their total investment value. However, by 2010, Adra Industrial City had become the largest industrial city in terms of the number of companies in operation and under construction. It had attracted 1,952 projects by the end of June 2010, followed by 1,923 in Sheikh Najjar. The Syria Report, "Report: Syria's Industrial Cities," 8 February 2022, <https://bit.ly/3jWDhHN>

27 The distribution of manufacturing projects is as follows: Rural Damascus 102; Damascus 6; Adra Industrial City 8.

28 The distribution of manufacturing projects is as follows: Aleppo 50; Sheikh Najjar Industrial City 30.

29 Industry News Syria, "408 New Industrial Facilities Entered the Production Stage Within 6 Months."

facilities and workers in Adra Industrial City in 2022 reached respectively 1,116 and 70,980, compared to 829 and 44,080 in Sheikh Najjar Industrial City. The total revenue for Adra Industrial City in the 2022 was also higher, estimated at SYP 79.5 billion (equivalent to USD 17.58 million at the official exchange rate of 4,522 SYP/USD), in comparison to SYP 50.89 billion (USD 11.25 million) for Sheikh Najjar Industrial City.³⁰

More broadly, Aleppo still suffers from economic and institutional isolation as its connections with the surrounding regions have been cut. New commercial roads have been opened in Syria's northern areas, particularly linked with Turkey, dramatically weakening Aleppo's business activities and its role as a central economic hub.³¹

3. The Rise and Fall of Businessmen

The election of businessman al-Masri as chairman of the DRDCI and of the SFCI represents two main dynamics. First, the rise of business personalities is dependent on their proximity to the Presidential Palace and to a lesser extent on their 'popularity' among the local business community. Second, businesspersons who are promoted can play a role in the economic normalisation of the Syrian regime, notably with the UAE, through their positions in Business Councils.

While he was previously considered to be close to Muhammad Hamsho,³² al-Masri has increasingly established direct relations with the centres of power and more precisely with the Presidential Palace, particularly with Asma al-Assad.³³ He has been a rising figure in Syrian economics and politics since 2018, as is symbolised by his appointment by the MoI to the DRDCI board of directors. He held the position of secretary of the DRDCI in 2019 and 2020 and treasurer of the SFCI between 2019 and 2022.³⁴ He was also elected a MP in the 2020 parliamentary election and was appointed as chairman of the Syrian side of the Syrian-Emirati Business Council in 2021.³⁵ In addition, al-Masri has been actively involved in several campaigns and initiatives supported by the Syrian regime in the past few years, including efforts to support the Syrian Pound in the autumn of 2019 and to address the Coronavirus pandemic, notably by providing the Ministry of Health with a hotel in Damascus in which he had invested, which was used as a quarantine centre.³⁶

At the same time, the replacement of al-Shehabi as head of the Federation after his loss in the 2020 People's Assembly election to some extent demonstrates weakening ties and diminishing support by the Presidential Palace. This is mainly because his connection with the Presidential Palace was through Rami Makhlof, and was partly due to the rise of other significant business warlords in Aleppo city during the war such as Hussam Qaterji. Nevertheless, al-Shehabi's re-election as chairman of the ACI, and that of his close associates in the board of directors, illustrates his domination over the manufacturing

30 Hessia Industrial City had 291 active industrial facilities and around 25,400 workers, while its total revenue reached SYP 32 billion (USD 7.1 million). Syrian Economic News, "To Improve the Reality of Industrial and Craft Investment..." (in Arabic), 27 December 2022, <https://bit.ly/3XevYK0>

31 Joseph Daher, "Syria's Manufacturing Sector: the Model of Economic Recovery in Question," Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, May 2019), <http://bit.ly/35aCIEk>

32 He was a member of Syria's business delegation to the UAE headed by Hamsho in 2019 and was candidate on the Sham list headed by Hamsho until the withdrawal of the latter a few days before the parliamentary election day in 2020.

33 Interview with researcher Sinan Hatahet, 6 January 2022.

34 He became treasurer of the DRDCI following Muhammad al-Hallaq's resignation two days after being elected to this position. Al-Hallaq declared that his resignation was a result of the willingness of Al-Masri to take over the position. The Truth, "A Week After his Election, the Secretary of the Damascus and its Countryside Chamber of Industry Resigns his Position, and the Reason? (in Arabic), 20 June 2019, <https://bit.ly/3FhxPkR>

35 SANA, "A Decision to Establish the Syrian-Emirati Business Council" (in Arabic), 20 October 2021, <https://bit.ly/3UCTwqb>

36 Ziad Awad and Agnès Favier, "Syrian People's Council Elections 2020: The Regime's Social Base Contracts," Research Project Report n°2 (Syria Transition Challenges Project, Geneva Centre for Security Policy and European University Institute – Middle East Directions Programme, October 2020), <https://bit.ly/3eGcVml>

sector in Aleppo and his remaining significance in the city as an economic and political actor. In the past decade al-Shehabi has been able to build a relatively solid popular base in the city, particularly among businessmen and manufacturers. This contrasts with al-Debs, who has been a MP since 2007 and hails from an old family in the Damascus bourgeoisie. His role and influence as chairman of the DRDCI in the capital Damascus has always been limited and subjected to other much more powerful business actors, such as Hamsho and al-Sawah, or in the past few years rising new business personalities, including Wassim Qattan, who has been a member of the Damascus Chamber of Commerce since 2020,³⁷ and Yassar Ibrahim, who holds the position of economic advisor to Bashar al-Assad.³⁸ The support brought by significant business personalities such as al-Sawah and al-Masri to the rival al-Debs list during the DRDCI election also showcased his lack of authority in the Damascus manufacturing milieu, despite being its chairman since 2014.³⁹

Second, the Syrian regime has decided to promote a new figure to the head of the SFCI, al-Masri, who unlike al-Shehabi is not on international sanctions lists and could therefore facilitate the process of normalisation and advancing regional economic exchanges, especially with the UAE in his capacity as chairman of the Syrian-Emirati Business Council. The election of al-Sawah in the DRDCI and SFCI could also be a way to further normalise economic relations with foreign actors. Al-Sawah, who is a well-known businessman with close connections with the Presidential Palace since the mid 2000s, in the last decade has been able to maintain a large business network in Arab and Western countries, while acting as one of the commercial and economic fronts used by the Syrian regime to control export operations and circumvent the international sanctions. Al-Sawah was the first Damascene businessman to hold an exhibition in Iran in 2014 and he encouraged other Damascene businessmen to visit Iran and build business relationships with the country. He has also been a promoter of various exhibitions of Syrian goods within and outside the country. He was one of the leading personalities in the delegation of Syrian businessmen to the UAE in 2019 and in mid-December 2022 was nominated chairman of the Syrian-Iraqi Business Council.⁴⁰ He was also the main promoter of the 'Made in Syria' exhibitions held for the first time in Baghdad in December 2021 with the participation of more than 100 Syrian companies, which was repeated in December 2022, and of one organised in Benghazi, Libya in February 2022.⁴¹ More broadly, the SFCI's executive bureau is composed of other experienced businessmen with connections outside the country such as al-Ikhwan, who has been chairman of the Homs Col and vice-chairman of the Federation since 2009, and Muhammad Ayman al-Mawlawy, who has been a member of the DRDCI since 2010 and occupied various positions within the chamber, together with being a member of the board of directors of al-Baraka Bank Syria.

A certain number of representatives in the Cols are also members of bilateral business councils. There are, for instance, four representatives of the ACI who are members of the Syrian-Algerian Business Council, including Kawaya who acts as its vice-chairman.⁴² Damascus has more and more tried to use economic actors to promote normalisation with countries in the region, and to a lesser extent to encourage economic exchanges and more particularly exports. In this context, the Syrian regime has re-established several business councils with countries considered 'friendly.' The decisions to establish these business councils have been mostly politically motivated and have had limited successful economic results.

37 See Joseph Daher, "The Syrian Chambers of Commerce in 2020: The Rise of a New Business Elite."

38 The Syria Report, "Profile: Yassar Hussein Ibrahim," 25 October 2022, <https://bit.ly/3vW64iC>

39 Facebook, Mohannad al-Ani, 26 October 2022, <https://bit.ly/3Wle6h1>

40 The vice-chairman is Muhammad Ziad Ubari, a member of the ACI.

41 Al-Estiklal Newspaper, "Muhammad al-Sawah. An Economic Puppet in the Hands of al-Assad to Bypass Sanctions With the Countries of the World",

42 The three other members are Muhammad Zakaria Sabuni, Muhammad Rifaat Shama and Majd al-Din Sheshman. Kawaya declared after the establishment of the new council that it was an opportunity to increase Syria's exports to Algeria, such as of petrochemicals, plastics, clothes, textiles and food, which are competitive and in high demand in the Algerian market. Bilateral trade between the two countries has, however, diminished in the past decade, reaching USD 24 million in 2020, compared to USD 143 million in 2010. The Syria Report, "New Syrian-Algerian Business Council Forms as Algeria's Pushes for Damascus's Return to Arab League," 19 July 2022, <https://bit.ly/3Cvb69o> <https://bit.ly/3Cvb69o>

Alongside these two main dynamics, these elections have marked the continual and growing power of the DRDCI in the manufacturing sector and its institutions. It has clearly the upper hand now in the SFCI with three representatives out of seven, instead of two in the preceding board. This reflects the concentration of power in the capital Damascus. At the same time, the changes in the composition of the boards of the DRDCI and SFCI in the latest elections with the promotion of some business individuals to the detriment of others demonstrate the continual significance attributed to these institutions by the Presidential Palace.⁴³ They are tools to consolidate its total domination of the networks of pro-regime businessmen. While these pro-regime businessmen in the Col and the SFCI constitute a social base of support for the regime, they are not a cohesive and organised community of businessmen acting together, quite the opposite. Rivalries exist between them, and collaborations are rather weak, particularly between the DRDCI and the ACI.⁴⁴ For instance, tension between the DRDCI and the ACI has arisen many times over government decisions in the past, such as in October 2021 when the two parties adopted opposite positions after a decision by the Syrian Ministry of the Economy allowing imports of knitted fabrics for all importers, whereas they had been restricted to only industrialists, and with specific allocations.⁴⁵ They re-emerged after the last elections.⁴⁶

Conclusion

The composition of the boards of directors of the Col and SFCI has historically been a tool for Damascus to (re)build and (re)shape networks of pro-regime businessmen, while consolidating and renewing its popular base. Since 2014, these boards have not undergone major changes and the last elections confirmed this tendency. However, in 2022 the most significant change was the election of a new chairman of the SFCI and the DRDCI.

The most important aspects of these elections were both economic and political. First, the economic dynamics in the manufacturing industry are very low. It is facing deepening structural problems and limitations, while investments in the sector remain very small. The only exception in this bleak situation of the manufacturing sector is the food industry, which is doing relatively well as it responds to local needs and is the main industry exporting goods to neighbouring countries. Alongside these evolutions, Damascus remains the country's main manufacturing centre, while Aleppo's significance continues to diminish.

Finally, the rise of al-Masri to head the DRDCI and SFCI, and to a lesser extent the election of al-Sawah in both entities, demonstrates the concentration of power in the Presidential Palace and its ever-continuing strategy to instrumentalise representations of economic entities to serve its political interests and consolidate its total domination over different groups of businessmen. At the same time, these changes are also attempts to boost normalisation with countries in the region and encourage economic exchanges and investment in the country.

43 The Syria Report, "Analysis: Changes to Syria's Business Elite Concentrates Wealth in Hands of Presidential Couple," 15 November 2022, <https://bit.ly/3W1KFz3>

44 Facebook, "Industry in Syria. A Dispute Between the Two Poles of the Industry Due to a Government Decision" (in Arabic), *Q Street Journal*, 9 October 2021, <https://bit.ly/3iu3zkd>

45 Aleppo industrialists considered that the decision turned all industrialists into importers, which posed a direct threat to the textile industry, a core branch of which is in Aleppo, and served the interests of the garment manufacturers in Damascus.

46 Following the election of al-Masri to the head of the SFCI, al-Shehabi wrote on his Facebook page that the government should invest more energy to support Aleppo, because "it remains the capital of Syrian industry, which paid the highest price for its homeland." In response, al-Masri's first statement as chairman of the SFCI was to tackle this issue and reassure the Aleppo industrial manufacturing sector by declaring that Aleppo will remain one of the main priorities in the activities of the Federation, and that there are no "regional preferences." In other words, Aleppo will not be side-lined because the new chairman is from Damascus. Hana Ghanem, "Al-Masri, Chairman of the Federation of Chambers of Industry, Consensus" (in Arabic), *al-Watan*, 1 December 2022, <https://bit.ly/3Upl6Hj>

The importance of these businessmen and close connections with the Presidential Palace will, however, not represent a new lease of life for the Syrian manufacturing industrial sector, or a new political economic orientation of Damascus. More generally, the last decade has seen a reinforcement of the speculative commercial economic model based mainly on investment in short-term profit-seeking, mostly in the trade, real estate and service sectors to the detriment of the productive economy, including the manufacturing sector. Similarly, the new and dominant pro-regime businessmen who emerged during the war and are affiliated with the Presidential Palace see no interest in a wide recovery of the manufacturing industry, which runs against some of their main sources of capital accumulation originating from the commercial and trade (both formal and informal) sectors.

Appendix

Table 2 - Members of the Executive Bureau of the DRDCI

Name	Position
Muhammad Ghazwan al-Masri	Chairman and Representative at the SFCI
Talal Qalaaji	Vice-Chairman
Louay Nahlawi	Vice-Chairman
Muhammad Ayman al-Mawlawy	Secretary and Representative at the SFCI
George Daoud	Treasurer
Muhammad Muhanad Dadush	Member
Adnan al-Saour	Member

Table 3: Members of the Board of Directors of the DRDCI

Name	Sector / Appointment by the state	Member since
Muhammad Ghazwan al-Masri	Agro-Food	2018
Talal Qalaaji	Agro-Food	2014
Samer al-Debs	Chemical	2014
Muhammad Akram al-Halaq	Chemical	2014
Muhammad Ayman al-Mawlawy	Chemical	2010
Hussam Abidin	Chemical	2018
Adnan al-Saour	Engineering	2018
Louay Nahlawi	Engineering	2018
Muhammad Muhanad Dadush	Textile	2014
Muhammad Nasr al-Sawah	Textile	2022
Adham al-Tabaa	Textile	2022
Nureddin al-Samaha	Textile	2018
George Daoud	Representative of private sector (Chemistry) Appointed by the Mol	2022
Dr. Suleiman Ali Hassan	Director of the General Organisation for Spindles and Weavers in Damascus Appointed by the Mol	2022
Engineer Eid al-Qadr al-Qaddour	Cables General Manager in Damascus Appointed by the Mol	2022
Fares Fares	Director of the Adra Industrial City Appointed by the Mol	2022
Muhammad Fayyad	Industrial Manager in Damascus Countryside Appointed by the Mol	2022
Aseel Naji	Representative of the Private sector (Textile) Appointed by the Mol	2022

Sources: Syrian Ministry of Industry, Facebook, 20 November 2022, <https://bit.ly/3VrYRBu> and Syrian Ministry of Industry, Facebook, 28 November 2022, <https://bit.ly/3Ubqqhj>

Table 4: Members of the Executive Bureau of the ACI

Name	Positions
Fares al-Shehabi	Chairman and Representative at the SFCI
Mustafa Kaway	Vice-Chairman and Representative at the SFCI
Abdel Latif Hamadeh	Vice-Chairman
Muhammad Rafaat Shama	Secretary
Majd al-Din Sheshman	Treasurer
Muhammad Abd al-Qadr Zayzan	Member
Henry Addamieh	Member

Table 5: Members of the Board of Directors of the ACI

Name	Sector	Member since
Fares al-Shehabi	Chemical	2010
Abdel Latif Hamadeh	Chemical	2018
Mustafa Kaway	Textile	2014
Muhammad Rafaat Shama	Textile	2018
Majd al-Din Sheshman	Textile	2018
Muhammad Abd al-Qadr Zayzan	Textile	2018
Muhammad Zakaria Sabuni	Textile	2018
Nail Rajib Pasha	Textile	2022
Behar Rasul	Food	2022
Muhammad Ziad Ubari	Engineering	2014
Nidal Shaykhu	Engineering	2022
Henry Addamieh	Representative of the Private Sector (Engineering) - Appointed by the Mol	2018
Rami Jawdat Saloum	Director of the General Organisation for Cotton Ginning and Marketing Appointed by the Mol	2022
Medhat Mohamed Eid Bilad	Director of the Aleppo Batteries' Company Appointed by the Mol	2022
Hazem Ajjan	Director of the Industrial city of Sheikh Najjar Appointed by the Mol	Appointed since 2018
Samer Awda	Aleppo Industry Manager Appointed by the Mol	2022
Annie Markossian	Representative of the Private Sector (Chairwoman of the Businesswomen Committee) Appointed by the Mol	Appointed since 2018

Source : Syrian Ministry of Industry, 20 November 2022, Facebook, <https://bit.ly/3H7B3z5>; and Syrian Ministry of Industry, Facebook, 28 November 2022, <http://bit.ly/3jpsbtW>

Table 6: Members of the Executive Bureau of the SFCI

Name	Position	Chamber of Industry
Muhammad Ghazwan al-Masri	Chairman	Damascus and Rural Damascus
Muhammad Labib al-Ikhwan	Vice-Chairman	Homs
Ziad Abd al-Karim Arbo	Vice-Chairman	Hama
Muhammad Ayman Mawlawy	Secretary	Damascus and Rural Damascus
Abd al-Kafi Shakr al-Masmum	Treasurer	Homs
Muhammad Nasr al-Sawah	Member	Damascus and Rural Damascus
Engineer Saad al-Din al-Aly	Member	Appointed by the MoI Director of the General Organisation for Sugar

Source: Syrian Ministry of Industry, Facebook, 30 November 2022, <https://bit.ly/3OTpRaV>

Table 7: Members of the Board of Directors of the SFCI

Name	Position
Muhammad al-Sawah Ghazwan al-Masri	Chairman of the DRDCI
Fares al-Shehabi	Chairman of the ACI
Muhammad Labib Abd al-Ikhwan	Chairman of the Homs Chamber of Industry
Ziad Abd al-Karim Arbo	Chairman of the Hama Chamber of Industry
Muhammad Ayman Mawlawy	Vice-Chairman of the DRDCI
Muhammad Rafaat Shama	Vice-Chairman of the ACI
Muhammad Nasr al-Sawah	Representative of the DRDCI
Adham al-Tabaa	Representative of the DRDCI
Mustafa Kuwaya	Representative of the ACI
Muhammad Ziad Ubari	Representative of the ACI
Abd al-Kafi Shakr al-Masmum	Representative of the Homs Chamber of Industry
Hayan Samir al-Asfar	Representative of the Hama Chamber of Industry
Engineer Harith Makhoul Makhoul	Director of the General Organisation of the Textile Industry
Engineer Saad al-Din al-Aly	Director of the General Organisation for Sugar
Abd Allah Fayz al-Namat	Director of the General Organisation for Engineering Industries
Wajih Bitar	Director of the Bank Industry
Engineer Basman Ramzy al-Mahna	Director of private and vocational industrial investment at the Ministry of Industry
Miyada Ahmad	Director of industrial cities at the Ministry of Local Administration and Environment

Source: Syrian Ministry of Industry, 28 November 2022, <https://bit.ly/3OIJoL4>

Table 8: Members of the Board of Directors of the Hama Chamber of Industry

Name	Sector	Position	Member since
Ziad Abd al-Karim Arbo	Agro-Food	Chairman and Representative at the SFCI	2010
Imad Muhammad al-Jaja	Chemical	Vice-Chairman	2018
Muhammad Muhammad Muwafaq Barudi	Agro-Food	Vice-Chairman	2018
Ahmad Abd al-Qadr al-Azhan	Textile	Secretary	2014
Nabil Abd al-Hamid al-Acheq	Chemical	Treasurer	2014
Ahmad Ali Sarut	Engineering	Member of the Executive bureau	2022
Hussein al-Mussa	Hama Industry Manager - Appointed by the Mol	Member of the Executive bureau	2022
Hayan Samir al-Asfar	Engineering	Representative at the SFCI	2018
Yahya Muhammad Mahmud	Agro-Food	Member	2022
Muhammad Khodr Adi	Agro-Food	Member	2018
Muhammad Abd al-Latif al-Karnazi	Agro-Food	Member	2014
Firas Ramz al-Barazi	Agro-Food	Member	2022
Muhammad Ahmad Qasem	Engineering	Member	2022
Engineer Qasem Muhammad Mussa	Director of the Hama Company for Cotton threads Appointed by the Mol	Member	2022
Engineer Abd al-Nasr al-Mashaan	Director of Steel in Hama Appointed by the Mol	Member	2022
Engineer Nirmin Zawda	Director of the Shoe factory in Masyaf Appointed by the Mol	Member	2022
Hayan Jamil Astun	Representative of the Private Sector (Engineering) Appointed by the Mol	Member	2022
Mazen Elias Maskin	Representative of the Private Sector (Agro-Food) Appointed by the Mol	Member	2014

Source : Syrian Ministry of Industry, Facebook, 20 November 2022, <https://bit.ly/3XzbVa2> and Syrian Ministry of Industry, Facebook, 28 November 2022, <https://bit.ly/3u5Slz5>

Table 9: Members of the Board of Directors of the Homs Chamber of Industry

Name	Sector	Position	Member since
Muhammad Labib al-Ikhwani	Chemical	Chairman and Representative at the SFCI	2005
Milad Elias Hana	Agro-Food	Vice-Chairman	2014
Majed Ahmad Naqla	Chemical	Vice-Chairman	2014
Muhammad Issam al-Tizini	Agro-Food	Secretary	2010
Muhammad Nabil Suhayl al-Qusayr	Agro-Food	Treasurer	2010
Wa'il Ahmad Mulhim	Engineering	Member of the Executive Bureau	2018
Engineer Bassam al-Said	Homs Industry Manager Appointed by the Mol	Member of the Executive Bureau	2022
Abd al-Kafi Shagr al-Masmum	Chemical	Representative at the SFCI	2014
Mustafa Issam Muawiya al-Haraki	Agro-Food	Member	2014
Bassam Munir Nuriya	Agro-Food	Member	2022
Sami Muhammad Shabun Sussa	Textile	Member	2022
Muhammad Talal Muhammad Samy Raslan	Engineering	Member	2014
Mahmud Hadid	Director of the Electricity Company in Homs Appointed by the Ministry of Industry	Member	2022
Engineer Manal Mishal Assad	Director of the Grape Industrial Company in Homs Appointed by the Mol	Member	2022
Muhammad Amer Mohieddin al-Khalil	Director of the Hessia Industrial City Appointed by the Mol	Member	2022
Sawsan Hakima	Representative of the Private Sector (Engineering) Appointed by the Mol	Member	2022
Bassam al-Abd	Representative of the Private Sector (Textile) Appointed by the Mol	Member	2014

Source: Syrian Ministry of Industry, Facebook, 20 November 2022, <https://bit.ly/3VAzkGp> and Syrian Ministry of Industry, Facebook, 28 November 2022, <https://bit.ly/3AWIExp>

Research Project Report

Issue 2023/02

17 January 2023

doi:10.2870/867123

ISBN:978-92-9466-380-1

QM-07-23-017-EN-N



Publications Office
of the European Union

