

Syrian Airline Hit by US Sanctions

Trade ban dashes hopes of reviving national carrier to boost tourism. A continuing United States embargo on Damascus has hit the national airline hard, preventing the company from growing at a time when air traffic at the capital's airport is rising, local analysts say.

Syrian officials say Washington thwarted a plan by the airline, Syrianair, to buy new Airbus planes from Europe to complement its ageing fleet because they contain American components.

The website Syria Report reported in October that Syrianair was reduced to flying four Airbus A-320s including one leased from Jordan after Washington halted work on the engines of two others that had been taken to Germany for repair. Syrianair bought the A320s in the mid-1990s.

State-owned Al-Baath daily reported in December the airline was considering an offer to buy two ATR72-900 planes from France for 39 million euros. Such planes carry 68 to 78 passengers with a range of 1,500 kilometres.

The Airbus deal was seen as a sign of economic and political rapprochement between Syria and France, where the planes are assembled, and to show Damascus's intention to invest in refurbishing the airline.

The Syrian transport minister, Yarob Badr, said that the US commerce department had vetoed the sale of the planes to Damascus, the official Tishreen newspaper quoted him as saying in a December 28 interview.

Although Airbus planes are made in Europe, they contain US-made parts, which makes their sale to Damascus subject to American sanctions imposed on Syria in 2004.

Washington accuses Damascus of sponsoring terrorism and has imposed a series of punitive measures that prohibit the export of most goods - excluding food and medicine - containing more than ten per cent of US-manufactured components to Syria.

The Syrian national airline had lost an important opportunity to grow because of the US embargo, an official working at the carrier told IWPR.

The recent US decision to renew the embargo was unexpected, especially since the Americans had shown positive signs that they were willing to lift the ban on Syria, he added, speaking on condition of anonymity.

The official said that Washington had agreed to allow the repair of two ageing Boeing 747s using US parts, as reported by official media in February last year.

He added that a delegation from Boeing had discussed the possibility of selling US planes to Syrianair in the future.

In July, as a result of an improvement of relations between Washington and Damascus, US officials said that their government would seek sanction waivers to allow the export of certain goods, including aircraft parts and other technology-related products.

The ailing Syrian airline company, considered to be one of the oldest and most secure in the Arab world, was founded in 1946 and employs around 6,000 people.

Badr, the transportation minister, said that the Syrian company “will not be governed by the US sanctions”, while adding that the company was still discussing the possibility of leasing Airbus planes for a short period of time.

Syria and Airbus have been negotiating an agreement since summer 2008 following a landmark meeting in Paris between the French and the Syrian presidents that pulled Syria out of its international isolation.

Earlier last year, Damascus signed a memorandum of understanding with the European aircraft maker, stipulating the purchase of 14 planes by Damascus up to 2018 and 36 more up to 2028, according to the state-run news agency SANA.

The company also agreed to help in the restructuring of Syrianair.

According to SANA, the agreement was renewed recently, prompting hopes that the US could still revoke its decision.

Mahmoud Dahesh, a Damascus-based aviation expert, said that the Syrian government was trying to develop the fleet of the country’s flag carrier to cope with growing numbers of tourists coming to Syria since 2005.

Figures from the ministry of tourism show that Syria had six million visitors in 2009, an increase of ten per cent from the previous year, SANA reported.

The increase in the number of visitors and the inability of the national carrier to cope with the growing demand have prompted the creation of two private Syrian airline companies in recent years, Sham Wings and Damascus Pearl.

In an effort to find alternatives to the current impasse, Badr told Tishreen that Syria is about to sign a deal with the Russian plane manufacturer Tupolev to first lease two passenger jets for a year and later purchase them.

Dahesh said that the Syrians were reluctant to purchase the Russian planes directly because of fears they might be banned from flying to some European airports and for other technical considerations.

Some analysts say that Syrianair has been suffering setbacks not only because of US sanctions.

An economist, who spoke on condition of anonymity, said that the company had not purchased a new plane since 1998, years before the embargo was imposed.

“The problems of Syrianair are like those of public sector enterprises in general, which are, in a nutshell, bureaucracy, administrative corruption and sluggishness,” he said.

Location: Syria
Jordan

Focus: Syria

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