

Coronavirus Update: More Movement and Export Restrictions to Mitigate Impact of Covid-19 (free access)

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The number of Syrians who have tested positive for the Coronavirus has increased to 19, according to the [Ministry of Health](#). Two have died and two have recovered.

All the positive cases were in government-held areas. However, given the much higher number of reported cases in neighbouring countries, the limited number of victims—both in these areas and those outside government control—seems to reflect the small number of tests conducted so far more than it does the limited spread of the virus.

More movement restrictions

The past week saw increased restrictions on movement. On April 02, the [Ministry of Interior](#) quarantined the Sayyida Zeinab suburb of Damascus, making it the second area after Mnin, also a suburb of Damascus, to be in that situation. Sayyida Zeinab is the site of a very important Shia shrine and is the centre of the Iranian presence in the country, hosting many Iranian pilgrims and, currently, combatants.

The curfew, currently imposed every day between 6:00 pm and 6:00 am, has been expanded during weekends. On Fridays and Saturdays, Syrians are now banned from going out between 12:00 pm and 6:00 am. This comes in addition to the travel ban between city centres and their suburbs as well as between provinces. Exemptions are granted to allow some government and private activities to continue.

On April 06, Adel Al-Olabi, the Damascus governor, banned access to public parks as well as to funeral and wedding events, although small businesses in some sectors, such as textile, food, printing, metal turning and car maintenance have been allowed to operate between 9:00 am and 4:00 pm. In the Tartous coastal governorate, the corniche areas have been declared off-limits.

Several similar restrictions have been imposed in areas outside government control. In the Idlib area, the cancellation of Friday prayers was rejected by radical Islamists.

Economic impact

On the economic front, the government has still not provided details on how it planned to spend the [SYP 100 billion](#) it has allocated to confront the epidemic. This number may include tax exemptions granted [last week](#) to businesses.

The prices of essential goods have continued to increase. In March, the price of key food commodities such as cereals, canned food, vegetables and eggs increased by between 40 and 75 percent, according to local media.

In order to increase the supply of food and medicines in the market and reduce inflationary pressures, the government is seeking to [increase the import](#) of these products and limit their export. Over the past couple of weeks, it had eased import requirements and this week it announced that it was reducing paperwork for importers. Also, an export ban is now in place for various goods, including an unlimited ban on the export of some medicines, such as paracetamol and chloroquine, and a one-month ban on the export of eggs, cheese and yogurt, canned and packed cereals and beans, chlorine and sodium hypochlorite (bleach).

One source of concern is the availability of bread, a food staple, considering the recent

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difficulties faced by the Syrian Grain Establishment in signing [wheat import contracts](#). The government has now lifted all restrictions on the import of wheat flour, which had been restricted to state entities and to companies manufacturing pasta.

A government official has also said that the government planned to sell and distribute subsidised bread through the smart cards that are held by Syrian households. Doing so would set limits on how much bread each Syrian family can buy at the subsidised price. While this rationing does not formally exist at the moment, in practice bakeries are limiting the number of bread loaves they are selling.

The smart card is used to sell a specific amount of goods that the government considers essential at [subsidised prices](#). Currently, these include petrol, gas oil, tea, sugar, rice and sunflower oil.

According to a report in *Al-Iqtisadi*, the government plans to start selling bread through the smart card system in the provinces of Damascus, Damascus Countryside and Aleppo. The quantity of bread to be allocated to each individual is estimated at 320 g per day and the price is to be set at SYP 50.00 per pack, unchanged from now. Each pack contains seven loaves and has a [weight of 1.3 kg](#).

Rare economic indicators

Except for anecdotal evidence and testimonies from individuals and businesses, there are very few indicators to help estimate the economic impact of the crisis.

A source from [Mahrukat](#), the state entity distributing oil products, said that oil consumption had declined by around 50 percent since the imposition of movement restrictions and the curfew. This may not necessarily be good news for the government, which generates a [significant portion of its cash](#) from the sale of oil products. The government buys its oil from Iran but does not pay for it in cash and hence makes a significant profit by selling it in the market.

Also, the number of containers handled by the Lattakia port in March stood at its lowest monthly level since September 2016. However, this is both a reflection of the impact of the Coronavirus and of the gradual deterioration in the economic situation in the country. In February the number of containers was already at its lowest since that same month. Unsurprisingly, restrictions imposed in Lebanon on banking transactions are having an important impact on Syria's [import trade](#).

Meanwhile, after falling dramatically in the first [three weeks of March](#), the value of the Syrian pound in the foreign exchange market has somewhat stabilised. Today, the dollar was sold at SYP 1,285 in the black market, a slight increase from last week's price of SYP 1,250.

International calls for move on sanctions

At the international level, the EU has announced a new aid package of EUR 240 million for the Syrian crisis, although the money will only go to countries hosting refugees.

There have also been growing calls for a lifting of the sanctions imposed on Syria and other countries. While these mostly came from regime allies, as well as some UN officials, interestingly, Joseph Burrell, the EU High Representative for Foreign Affairs, said after a meeting of EU foreign ministers on April 03 that "sanctions should not impede the urgent delivery of medical equipment needed to combat the Coronavirus."

Even though the health sector is exempted from sanctions, there is little doubt that sanctions create a risky environment for western companies, particularly banks, which tend to avoid all commercial transactions with Syria.

However, a significant change to the sanctions regime at this stage is unlikely. Lifting or freezing

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parts of the sanctions will remove the only important leverage western countries have on the Syrian authorities both to address the Coronavirus crisis—for instance by stopping attacks on health facilities, allowing aid to reach all areas, and releasing detainees to stop the spread of the virus in prisons—and the post-crisis political and humanitarian situation, such a return of refugees, the protection of their property rights, and some sort of political concessions.

Indeed, imposing sanctions again after the crisis ends would be politically much more difficult than lifting or freezing them, even for a temporary period.

What is more likely to happen in the weeks and months ahead is that more aid will be channelled to the World Health Organisation for its operations in the country as well as to NGOs and INGOs.

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