

## The Impact of the Corona Pandemic on Trade between Jordan and Syria



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**ABSTRACT:** The Corona pandemic has sent shock waves through the global economy and caused the largest global economic crisis in more than a century. This crisis has led to a sharp increase in inequality within and between countries. Preliminary evidence indicates that recovery from this crisis will be as uneven as its initial economic effects, as emerging economies and economically disadvantaged groups need much longer time to compensate for the losses resulting from the pandemic in terms of loss of income and livelihoods. In contrast to many previous crises, the emergence of the Corona pandemic was met with a large and decisive response in many countries such as Jordan and Syria, and in terms of economic policies, it was generally successful in alleviating the worst human costs of the pandemic in the short term. However, the response to this emergency has also created new risks - such as the massive increase in the levels of public and private debt in the global economy - that may jeopardize an equitable recovery from the crisis unless it is decisively addressed.

**KEYWORDS:** Corona pandemic, Foreign Trade, Jordan, Syria.

### I. INTRODUCTION

The trade exchange between Jordan and Syria was active and extensive, and there is a common free market between them on the Jordanian-Syrian borders. Jordan's trade with Lebanon, Turkey and Europe depends on the stability of the international road passing through the sister country Syria, as it is the direct land port of Jordan with these countries and is linked with them. There is a good trade exchange movement, and Jordan trades with Syria with several goods and services, as Jordan imports from Syria clothing, animal and vegetable products, as well as food products, and Jordan exports chemicals, machinery and electrical devices to Syria.

There is no doubt that the commercial sector between Jordan and Syria has been greatly affected by the Corona pandemic, and the issue of trade in the traditional way has become a difficult matter, especially after the emergence of a wave of diseases and epidemics that forced the economic system to use modern methods and systems, and advanced technologies in order to resist the obstacles that prevent the success of the commercial process. This is what we discussed in this article about the impact of the Corona pandemic on trade between Jordan and Syria.

### II. HEADINGS

#### **Overview of foreign trade:**

Trade is one of the main sectors in any country, and it is one of the economic activities that are based on the principle of exchange. The trade activity, i.e. exchange, has developed with the development of the means of technology, communications and means of transportation, where the exchange activities of individuals within one country exceeded the exchange between countries, which is what is known foreign trade has grown significantly in the recent period as a result of the diversification and expansion of trade relations. Foreign trade has occupied great importance since ancient times and has occupied the interest of researchers and economic thinkers over time. Foreign trade has emerged in its modern sense in the early nineties and the emergence of globalization and foreign trade has an effective role in the development of countries and the achievement of economic development in them.

Foreign trade is of great importance to the developed countries and the developing countries, as the developed countries export what they have of more products and commodities to other other countries. Whose goods are dominated by specialization, which expresses their weakness. These countries also import and bring in international goods and services. Developing countries import goods, technology, and other manufactured and semi-manufactured materials, and developed countries import resources

## **The Impact of the Corona Pandemic on Trade between Jordan and Syria**

and materials that are included in their industries and production processes. And foreign trade is of importance to the developed and developing countries through the hard currencies it provides as a result of its commercial transactions with the rest of the countries, in addition to achieving economic development in them.

And foreign trade plays a major role in achieving commercial exchange, being a forum for commercial activities, providing the goods and services needed by countries, and securing their requirements and the resources involved in the production process for different industries, which leads to the stability and continuity of the production process.

The reasons for the establishment of foreign trade are attributed to several factors, including what is known as the theory of relative scarcity, which refers to the limited and unavailability of resources in some countries, in addition to the difference in the cost of production factors and the unfair distribution of these elements between countries and the consumers' need for goods that are not available in their countries. And one of the reasons for the establishment of foreign trade is also the specialization in the production of goods by countries as a result of several factors, the most important of which are the availability of production resources, production efficiency and the low cost of producing goods in them. Its production surplus is of goods and products, and this is in the developed and industrialized countries, unlike the developing countries that need trade to provide the goods and services they need in securing manufactured and semi-manufactured materials such as foodstuffs, clothing and technology.

### **A detailed look at trade between Jordan and Syria**

Jordan has adopted trade policies with other countries based on common interests, and Jordan suffers from a permanent and continuous deficit in its trade balance due to the consumption pattern followed by individuals in addition to the lack of optimal exploitation of extractive industries and attention to the housing sector at the expense of agriculture, which is the most important source for Jordanian exports.

Foreign trade in Jordan is considered one of the pillars of the national economy, especially with regard to export, as it is known that export in any country is a driving tool for growth in that country, which has significant effects on the national economy and increases the state's ability to engage in import and export operations, and the provision of hard currency to this country, and ultimately the increase in the national income and its growth.

Jordan is trying hard in order to influence the export sector, by providing the infrastructure and providing the appropriate requirements for the growth of Jordanian exports, including urging global competition, or competition at the level of prices, or at the level of quality, as well as its attempt to achieve the provision of basic production factors capable of providing commodities that have great competitiveness, as well as providing highly educated trained labor that has the ability to absorb technology, and develop appropriate production methods, all in order to increase the volume of the export sector in the Hashemite Kingdom of Jordan.

### **The most important trade agreements between Jordan and Syria**

The geographical location of the Syrian state made it an advantage and an active role in foreign trade. Jordan and Syria link multiple relations at the political, social and economic levels. Syria is also a gateway for the Jordanian trade movement to European countries, especially Turkey, and there is a trade exchange between the two countries is widely spread due to the close rapprochement. There are a number of protocols and agreements concluded between the two countries. The most prominent of these trade agreements with Jordan are:

#### **1- The 1975 commercial agreement and its most important provisions:**

- Public sector institutions in the Syrian state are restricted to import goods and products of Jordanian origin with a minimum value of two million dinars annually, taking into account customs exemptions and taxes on goods and products as agreed between the two countries.

Neither country is allowed to work on re-exporting the goods and products exchanged between the two countries except after the approval of the other country.

- Establishing commercial centers and joint markets between the two countries to be dealt with according to the terms and instructions agreed upon by the two countries.

- Forming a joint committee between the two countries to follow up and manage the file of economic relations and trade agreements between the two countries.

- Agreement to work and establish joint economic and commercial projects between the two countries.

- The work of a joint committee of customs to list the materials involved in the production of similar goods and materials between the two countries, in order to work on unifying fees and taxes on these goods by the Jordanian and Syrian countries.

Approval of the import of agricultural and animal products, products of natural resources and industrial products, the production of which is in one of the two countries, excluding them from the provisions on import bans and from all administrative

## The Impact of the Corona Pandemic on Trade between Jordan and Syria

and monetary restrictions and other restrictions, and exempting these products from any fees or taxes and from import licensing certificates.

### 2. Free Trade Agreement between the two countries 2001:

The agreement was signed on 10/8/2001 and the agreement entered into force on 23/5/2002. The agreement provides for exemption of Jordanian and Syrian goods and products, liberation of trade exchange between the two countries, and exemption of goods and products exchanged between them directly from customs duties, fees and other related taxes. The similar effect is that the agreement stipulates the abolition of duties on a large percentage of goods and merchandise covered by trade between the two countries.

### III. CONCLUSION

The reality of Jordan's foreign trade and the movement of exports and imports between Jordan and Syria shows us that there is a clear impact on the national exports and imports as a result of the conditions in the Syrian neighbor. Extensive trade exchange, and this is clear through the trade agreements and protocols signed between the two parties, except that Syria is Jordan's gateway to Europe, especially the Turkish state, as well as to Lebanon. As a result of the Syrian civil war, the percentage of national exports through Syria to these countries has decreased and transportation costs have risen. As a result of the absence of any other land corridor with these countries except Syria, as well as the decline in trade exchange between the two countries and the increase in the rate of national imports of goods as a result of the increase in the number of Syrian refugees and the need to fill the shortfall in the increased demand for goods and services.

Factors and reasons have contributed to the exacerbation of the trade balance imbalance in Jordan, where there is a clear difference between the total national imports and exports as a result of these factors, and the trade balance deficit has increased significantly during the Syrian crisis.

As the countries of the world are associated with common economic and political interests, including the process of trade exchange between these countries, the results of this exchange are due to the countries with many economic interests. Hence, the crises that occur in a country that has a commercial exchange affects other countries with which this exchange is based and is reflected. The effects of this crisis on the internal affairs as well.

The importance of the trade balance is that it is an indicator of the state's financial position and measures its economic and financial strength and its obligations. It is an essential component of the balance of payments components and consists of both exports and imports.

The Hashemite Kingdom of Jordan is one of the countries affected by the crisis in Syria, especially in light of the Corona pandemic and the outbreak of diseases, as Jordan and Syria have had trade relations at the highest levels since ancient times, and this is evident through the movement of exports and imports between the two countries, and the movement of exports between the two countries has been affected, The two countries as a result of the crisis in Syria.

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