

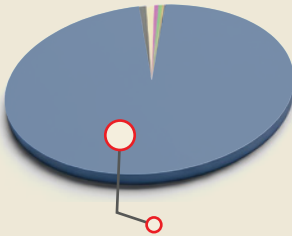
# Syria in Figures

Making Sense of Syria's Economy

## Editorial: Syria's Economy a Year into Assad's Downfall: The Good, the Bad, and the Ugly

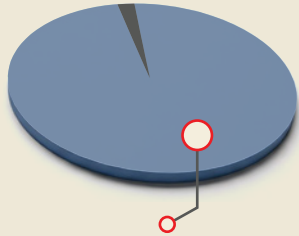
**Karam Shaar**— A year on, Syria has almost certainly recovered faster than forecast. However, the overall economic direction is increasingly unclear with multiple worrying signs.

### Backgrounds of Newly Appointed Officials



Sunni (Muslim)

558 (96.9%)



Arab

613 (98.1%)

Also in this issue:

The Syrian Pound: A Year of Signals and Volatility

The Syrian People's Assembly 2025: Electoral Results and Representation Gaps

Beyond Iran: Where Syria is Getting Its Oil

Israel's Expanding Military Footprint in Syria: One Year On



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Karam Shaar Advisory is a New Zealand-based limited-liability consulting company. Our work focuses on the economy and politics of Syria.

# Editorial: Syria's Economy a Year into Assad's Downfall: The Good, the Bad, and the Ugly

*Karam Shaar*

Post-conflict power transitions are inherently messy; one year is far too short to fully disentangle signal from noise. That said, while Syria's economic end state remains uncertain, the direction of travel is becoming clearer.

## The Good

Unlike many pessimistic predictions, I believe the economy is on a strong recovery trajectory. It is largely a question of pace, although the 1% forecast from the [World Bank](#) already appears wildly pessimistic. Misgovernance, a fragile security situation, and the persistent fragmentation and disregard for regulatory frameworks are more than offset by multiple positive factors. Chief among these is the return of over [1.2 million refugees](#), along with an unknown number of non-refugee returnees, myself included. This alone constitutes more than 5% of the pre-collapse population—people who consume, seek shelter, and potentially take, albeit often tentative, steps toward investment.

One might argue that this boosts headline growth without necessarily improving prosperity when measured in per-capita terms. Not quite. The recovery trajectory is also driven by other factors, including the [removal](#) of hurdles to international trade and domestic trade between the northwest and areas formerly held by the Assad regime; memoranda of understanding (MoUs) that are expected to bring billions despite public skepticism; and renewed international support and engagement, underpinned by phenomenal diplomatic breakthroughs. For example, a single gesture of [support](#) from Qatar for Syria's gas supplies is equivalent to nearly a third of the aid provided to Syria [throughout 2024](#), as tracked by UNOCHA.

Government outreach has attracted substantial global interest. Investment forums have been held, resulting in the signing of dozens of MoUs that will translate to economic growth going forward. In our mapping of all MoUs in various issues of *Syria in Figures* ([Article 1](#), [Article 2](#), [Article 3](#)), we [highlight](#) that 67.5% of signatory companies are low risk: legitimate, legally registered, with a record of successful project implementation and, most importantly, often state-backed—primarily by Saudi Arabia and Qatar. Assuming that just 20% of announced MoUs—[totaling](#) USD 25.9 billion—materialize as investment over the next five years, this would amount to USD 5.2 billion. That figure alone is equivalent to roughly 20% of Syria's [estimated](#) GDP of USD 20 billion (2022), even before accounting for any multiplier effects.

The government has also demonstrated an ability to implement swift policy decisions under difficult circumstances. [The unification](#) of tariffs across previously fragmented control areas and the long-overdue unification of exchange rates (see our [article](#) on the

exchange rate) are not administrative tweaks but substantive policy shifts. The resulting confidence effects have been tangible. [Prices declined](#) for much of the post-transition period. Even as inflation has re-emerged over the past two to three months, price increases [remain](#) far less severe than in previous years.

## The Bad

That some MoUs will fail to materialize is neither surprising nor uniquely Syrian. By definition, MoUs are expressions of intent rather than binding commitments, and many evaporate once feasibility studies, financing structures, and political realities collide. The problem is not that some projects will never see the light of day, but that a number were never credible to begin with. The frequently cited Saudi-funded [Damascus metro project](#) is a case in point. Even assuming tunneling does not run headlong into the dense archaeological layers of the world's oldest continuously inhabited city, the underlying economics remain implausible. A viable cost-recovery model—let alone a profitable one—would require demand that simply does not exist.

More troubling than unrealistic projects is the process by which MoUs are nominated, evaluated, and approved. The current approach [appears ad hoc and opaque](#), with little evidence of standardized feasibility screening or competitive selection. This has inevitably fueled concerns about cronyism and preferential access, particularly in high-profile cases such as the largest MoU announced to date [involving UCC Holding](#). Even if no impropriety ultimately exists, the absence of transparent criteria and publicly available documentation creates perception risks that Syria can ill afford at this stage of re-engagement.

This lack of discipline at the project level reflects a broader absence of a coherent reconstruction roadmap. What are the government's priorities? How are they to be sequenced, and how will they be funded? Large commercial infrastructure projects can, of course, boost headline growth. But they are not necessarily what Syrians need most, as their benefits often accrue to only a few. It remains unclear how the authorities intend to finance essential, non-commercial infrastructure—such as basic public works—that generate high public and social returns but little or no profit while planning for tax cuts that are likely to [limit](#) the state's revenues considerably. These are precisely the investments that international businessmen, whom the government is actively courting, are least likely to fund without clarity on who pays for what, through which instruments. As a result, reconstruction is becoming skewed toward what is marketable rather than what is necessary.

The lack of vision on specific initiatives or sectors may be understandable, given the heavy inheritance from the Assad regime. More consequential, however, is the declining clarity at the strategic level. In the immediate aftermath of Assad's toppling, the overarching economic direction—whether one [agreed with it or not](#)—was clearer. The Caretaker Government [spoke openly](#) and consistently about

privatization, trade liberalization, and a reduced role for the state in large segments of the economy. Those signals mattered: they gave investors a sense of direction and allowed markets to form expectations. Yet the Interim Government, which assumed office in April, has since muddied the picture.

Public statements on core economic questions—particularly privatization and subsidies—have become contradictory, varying not only across ministries but at times within the same institution. In some cases, officials have [signaled](#) a commitment to market-oriented reforms while, in practice, the government has maintained state control by [intervening](#) in private sector affairs, [monitoring](#) prices, or [restricting trade](#).

## The Ugly

One of the most concerning developments in post-Assad Syria has been the rapid concentration of authority within the presidency, despite gains in the agility of economic policymaking. The Constitutional Declaration [concentrated](#) extensive powers in the executive branch while remaining notably vague on the roles and checks of both the legislature and the judiciary. Although the document is explicitly provisional, there is no visible roadmap toward a permanent constitutional framework, particularly in light of the continued delay in forming a parliament. Presidential decrees now span virtually all domains of public life, from core legislation and amendments to senior appointments across the state apparatus.

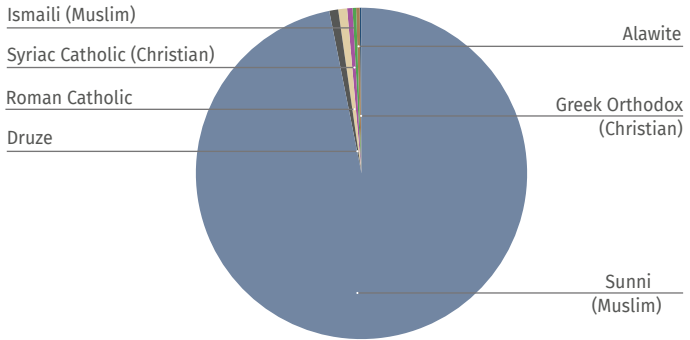
This centralization is further entrenched through the institutional architecture. Key bodies responsible for managing the country's reconstruction and economic recovery—such as the Syrian Sovereign Fund, the Syrian Development Fund, and the restructured Syrian Investment Agency—are all [governed](#) by boards appointed by presidential decree and [report](#) to the Supreme Council for Economic Development, a body [created and chaired](#) by the President. In effect, strategic economic decision-making has been consolidated within a narrow executive circle, often sidelining government ministers, with little to no formal oversight. Given that reconstruction costs are [estimated](#) to exceed USD 200 billion, this degree of concentration heightens the risk of reemerging rent-seeking and cronyism.

Additionally, accountability thrives on transparency—an area where several of these institutions fall short. The Syrian Sovereign Fund illustrates this challenge. While its formal mandate and funding sources are [defined](#) in a presidential decree, the Fund is also receiving assets seized from businessmen and entities [accused](#) of having accumulated wealth illicitly under the Assad regime. This function is not [codified](#), leaving the legal basis for such seizures ambiguous. As a result, asset confiscation risks being applied selectively, creating space for harassment or political targeting.

Compounding this opacity, there is no publicly available reconstruction or asset-management strategy clarifying how the Fund's resources are to be deployed, nor has the head of the Fund been appointed through a transparent process.

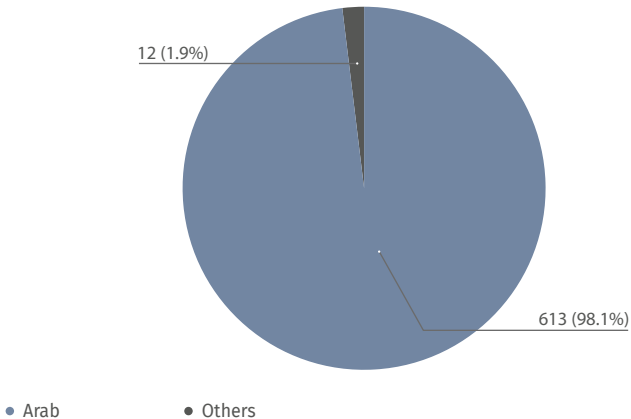
The most worrying development since Assad’s downfall, however, is the lack of inclusive governance. Since the formation of the Interim Government on 30 March 2025, our Advisory has tracked the appointment of 626 senior officials, including ministers, deputy ministers, ministerial advisers, heads of public institutions, investigative committees, the High Commission for Elections, and the leaderships of chambers of commerce and industry. The resulting profile of the governing elite is exceptionally homogeneous: virtually all are Sunni, Arab, and male.

### Religious Sect of Syrian Government Officials



Source: Karam Shaar Advisory Ltd.

### Ethnicity of Syrian Government Officials



Source: Karam Shaar Advisory Ltd.

Homogeneity at the very top is not, in itself, unusual—even in democratic contexts. However, in functional political systems, inclusivity is typically restored at lower levels through consultation, institutionalized feedback loops, and meaningful engagement with civil society and technocrats. To date, this has been limited. Instead, early reforms point to a pattern of rapid, top-down decision-making pursued with minimal consultation and weak institutional mediation. This matters not only from a moral standpoint, but from

policy-quality and security perspectives: groups most affected by economic policies are also the most capable of identifying viable solutions. For instance, women [are key actors](#) in post-conflict settings and, especially as they experience inferior socioeconomic conditions, are often better placed to [identify](#) constraints and trade-offs that men are more likely to overlook. Alawites, who are extremely under-represented, are likewise best positioned to identify suitable economic interventions for their struggling regions.

The marginalization of social groups, technocratic input, and private-sector representatives risks eroding the transition's legitimacy, exacerbating horizontal inequalities, and reactivating the well-documented "conflict trap" that has historically haunted post-war recoveries. By narrowing participation in decision-making, Syria risks governing with an incomplete understanding of its own economy and society.

### **A Word of Advice**

Syria's prospects are strongly contingent on state performance, with state failure likely to plunge the country back into conflict. Combined with the generally receptive attitude of government officials to advice, supporting state institutions should be a priority for those who support and oppose the political leadership alike. This becomes clear when one observes how little capacity exists within public institutions, underscoring both the scale of the challenge facing government officials and the need to support them wherever possible.

## The Syrian Pound: A Year of Signals and Volatility

Following a year marked by profound political and economic shifts in Syria, the exchange rate of the pound (SYP) remained the most immediate and telling proxy for the country's pervasive uncertainty. Throughout 2025, the pound experienced fluctuations reflecting the fragility of the monetary environment and the market's acute sensitivity to political and policy announcements. This article examines the factors that shaped the pound's movements and assesses the outlook.

The analysis draws on a quantitative review of 380 daily exchange-rate observations, covering the period from the start of the military operation against the Assad regime in November 2024 through mid-December 2025, sourced from our [live tracker](#).

### From Announcements to Dynamics: Interpreting SYP Volatility

In the final weeks of 2024, the pound experienced rapid depreciation in the wake of the military operation that led to the collapse of the Assad regime, as the country's outlook appeared more uncertain than ever. After months of relative stability at around SYP 14,750 per USD in the second half of 2024, the pound [weakened sharply](#), reaching SYP 25,000 against the dollar on the eve of the regime's collapse.

On 9 December 2024, the day following the collapse, the new authorities [announced](#) that all bank deposits were "safe and protected," [lifted](#) long-standing restrictions on foreign-currency trading, and eased domestic trade by removing crossings between the northwest and formerly regime-held areas. As conditions began to stabilize by the end of the year, the SYP recovered to around 14,000.

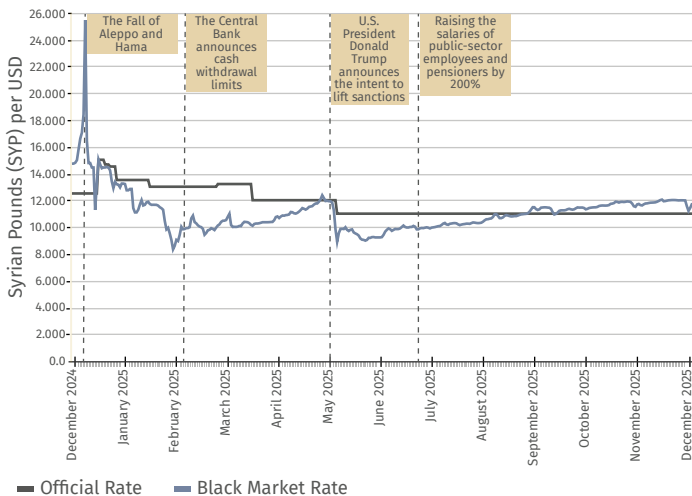
At the start of 2025, the SYP continued to appreciate. While the legalization of USD-denominated transactions, stabilizing political and security conditions, and the steady return of refugees likely contributed to an increase in the supply of foreign currency, these factors were more than offset by others. Chief among them was a [spike in imports](#) driven by pent-up demand following the [easing of import financing restrictions](#), alongside an emerging SYP cash shortage. The latter reflected the monetary authorities' difficulties in reasserting control over cash-dominant hawala companies that had long been affiliated with the Assad regime, pushing the black-market rate to around SYP 10,000 per USD by the end of January.

In February, the Central Bank addressed the cash crunch by imposing strict [cash-withdrawal limits](#) and [suspending](#) salary payments for public-sector employees for more than two months. These measures contributed to a further appreciation, with the black-market rate reaching SYP 8,658 per USD.

As the new authorities regained de facto control over the hawala market—leading to the resumption of operations for some entities and the [suspension](#) of others—the sharp increase in demand for foreign currency to finance imports continued to outweigh the increase in supply, which stemmed primarily from refugee and

expatriate returns. These dynamics led the exchange rate to revert slowly but steadily to around SYP 12,000 by May.

### Syria's Exchange-Rate Dynamics (December 2024–December 2025)



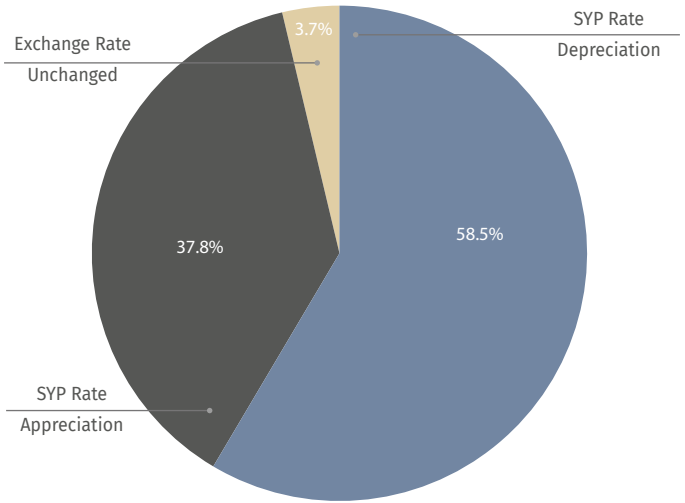
Source: Karam Shaar Advisory Ltd.; Exchange Rate Tracker (exchange rates); Central Bank of Syria (official rate).

On 13 May 2025, US President Donald Trump [announced](#) his intention to lift sanctions on Syria, triggering strong optimism in the market. The SYP appreciated by more than 20% over two days. This surge, however, quickly dissipated. By 19 May, the exchange rate had returned to near SYP 10,000 per USD as the initial shock faded.

On 11 December 2025, a similar short-lived appreciation episode followed announcements related to the repeal of the Caesar Act, when the SYP strengthened by around 6.5% in a single day before retreating over the subsequent two days.

This pattern has repeated throughout the period under review. Over the past 380 days, and despite an overall appreciation trend, the currency recorded 219 day-on-day depreciations compared with 142 days of appreciation. This suggests that appreciation episodes, while fewer, were significantly more pronounced and were typically triggered by short-lived sentiment shocks such as those described above.

## Daily Frequency of SYP Appreciation vs. Depreciation



Source: Data analyzed by Karam Shaar Advisory Ltd.

On balance, economic fundamentals have been pointing toward depreciation. Persistent controls on cash supply in the cash-dominant economy are likely to have played a key role. This trend has also been reinforced by two additional factors. First, the widening trade deficit, which is raising the demand for USD. Second, since 22 June, public-sector [salaries](#) and pensions have been increased by 200%. This decree injected [19.2 trillion](#) into the economy—nearly half of the overall money supply (M2, according to figures seen by our Advisory)—generating a [resurgence in inflation](#). As a result, the SYP began a slow but steady depreciation from July onward, as the actual increases started to feed through and translate into spending.

### Outlook

The outlook for the Syrian pound remains highly uncertain. In the absence of sufficient foreign reserves and effective monetary policy tools, such as interest rate setting and open market operations, exchange-rate dynamics are likely to continue to depend more on liquidity conditions than on the Central Bank's stated objectives, whether under the declared [managed floating](#) regime or otherwise. Absent a policy shift, the trade deficit is likely to continue exerting quiet but steady pressure on the SYP, resulting in further depreciation, as the production base cannot expand as rapidly as imports under easing restrictions on the flow of goods.

At the same time, psychological factors and policy announcements are expected to continue driving short-term fluctuations. These may include developments related to the potential removal of the State Sponsor of Terrorism designation in the US in early 2026 or the lifting of the Lebanon Sovereignty and Syria Accountability Act.

Depreciation is likely to accelerate further following the removal of cash-withdrawal restrictions. However, this effect is expected to be largely one-off, as locked-up deposits are released, resulting in a level correction.

## The Syrian People's Assembly 2025: Electoral Results and Representation Gaps

Nearly a year after Assad's toppling, the October 2025 parliamentary elections marked the first institutional test of the transitional period. While the new People's Assembly operates within an incomplete constitutional framework—most notably lacking a Supreme Constitutional Court and a High Judicial Council, which constrains its independence and oversight capacity—this article focuses on a different question: how representative the Assembly's elected members are of Syrian society, ahead of the President's outstanding appointments.

Using a bespoke database of all elected members compiled through open-source investigations, we developed an [interactive tool](#) on the Syrian People's Assembly that allows users to track members across key demographic and professional variables and assess overall representation.

The 2025 elections were conducted under an indirect system established by [two public](#) decrees, which created the High Elections Commission (HEC) and set the Assembly at 210 members: 140 indirectly elected and 70 appointed by the President. Sub-electoral bodies were formed across 50 districts based on [predetermined](#) criteria—70% academically qualified professionals and 30% notables and community leaders—and held full authority to nominate and elect candidates.

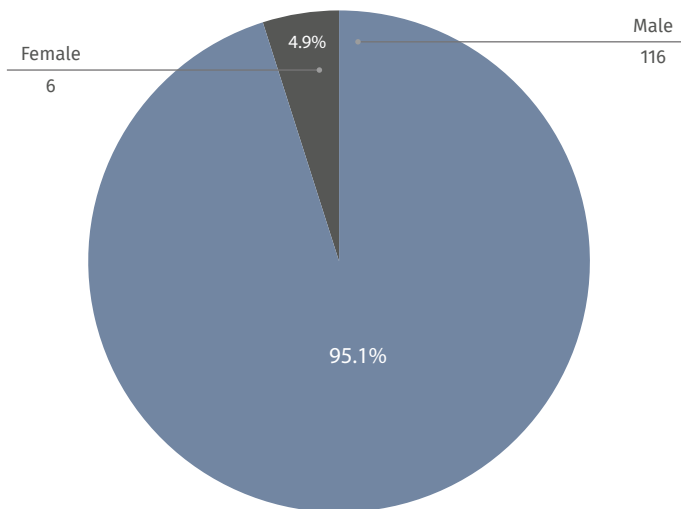
Security and political conditions prevented elections in As-Suwayda, Raqqa, and Hasakah governorates, limiting the first round to 119 elected members. Supplementary [voting](#) in Ras al-Ain (Hasakah) and Tal Abyad (Raqqa) [raised](#) the total to 122. Elections in the remaining districts have not been completed and no timeline has been announced. The Assembly will be completed through 70 presidential appointments, intended to address representation gaps resulting from the partial and indirect nature of the process.

### Weak representation of women

Female representation in the Assembly is extremely low. Women account for just 4.9% of elected members (6 out of 122), down from 11.2% (28 out of 250) in [the 2020 parliament](#)—the most recent legislature for which a comparable dataset exists. This outcome is partly explained by the candidate pool: women constituted only 14.1% of candidates (221 out of 1,571). Official [statements](#) suggest that presidential appointments may help address this imbalance.

This underrepresentation reflects entrenched social barriers as well as procedural flaws. The Higher Electoral Committee included only two women among its eleven members, while the electoral colleges responsible for candidate selection were overwhelmingly male and embedded in local networks that limit women's access to meaningful competition—a pattern common to patriarchal societies worldwide, including across the Middle East.

## Gender of Parliament Members



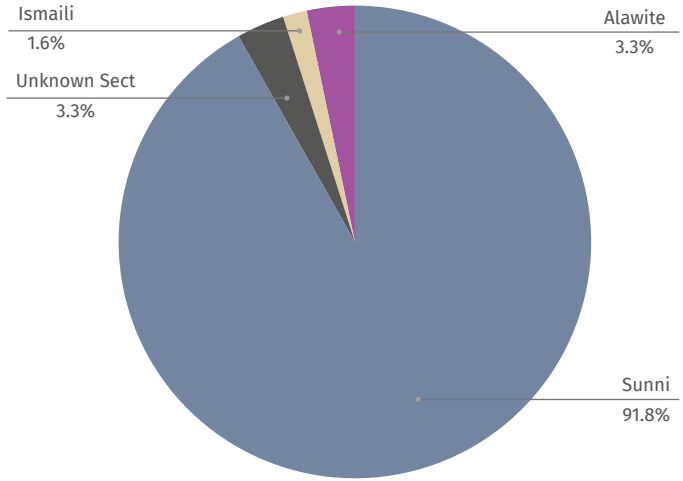
Source: Various online reports. Data compiled by Karam Shaar Advisory Ltd.

## Religious and ethnic imbalances

Of the 122 elected members, 121 are Muslim (99.2%) and one is Christian (0.8%), compared to Christians' [estimated](#) 2.3% share of the population in 2024, which would correspond to roughly two to three seats in an Assembly of this size. While two Christian winners were officially [announced](#), only one could be independently verified; if the second is confirmed, Christian representation would be broadly consistent with population estimates.

At the level of Islamic sects, Sunni Muslims account for 92.4% of members whose backgrounds could be verified. Alawites hold only four seats (3.3%), all elected from Latakia and Tartous, with none from Homs despite the presence of a sizable Alawite population there. This is well below the community's [potential](#) 12% share of the population. The Druze community has no representation, a direct result of the exclusion of As-Suwayda—the only majority-Druze governorate—from the electoral process. This absence persists despite the presence of Druze communities in parts of Rural Damascus, including Jaramana, which produced no elected representatives identifying as Druze.

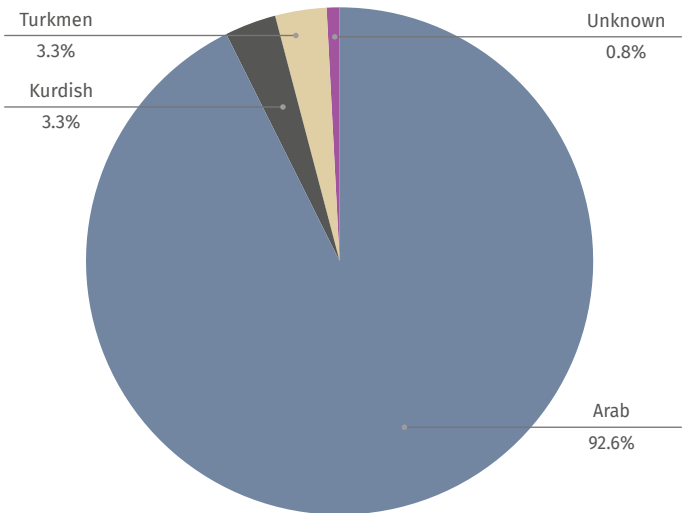
## Ethnic Composition of Parliament Members



Source: Various online reports. Data compiled by Karam Shaar Advisory Ltd.

Ethnically, the Assembly is overwhelmingly Arab. Kurdish representation is limited to four members, all elected from [Afrin](#), and does not reflect the community's broader population base, particularly in Hasakah, where elections were not held. Smaller minorities, including Syriacs, Assyrians, and Circassians, are entirely absent.

## Ethnic Composition of the Syrian People's Assembly (Elected Members)



Source: Various online reports. Data compiled by Karam Shaar Advisory Ltd.

Overall, the underrepresentation of Kurdish and Druze communities is closely linked to the absence of elections in areas where they are primarily concentrated. The most structurally significant imbalance, however, concerns Alawites and can be explained by multiple factors, including the community's boycott of the electoral process following the coastal massacres, resistance to Alawite participation—manifested in the [assassination](#) of a candidate from Tartous—and, most importantly, the weak representation of Alawites within the electoral colleges themselves.

### **Individual and professional representation**

In the absence of legalized political parties and program-based campaigning, the elections did not produce identifiable ideological blocs or organized alignments within the Assembly. Members' backgrounds are not mutually exclusive. Approximately 28.7% of the elected members previously served in official opposition institutions, 19% came from pre-2011 state institutions, and 16.4% had prior ties to armed opposition groups before transitioning into civilian roles. By contrast, 62.3% of members have no identifiable political or military background and are best described as independents, technocrats, or local notables whose influence derives primarily from social standing rather than party orientation.

### **Policy Recommendations**

Ensuring meaningful representation—particularly for severely underrepresented groups such as women and Alawites—should not be treated as a tokenistic means of gaining domestic or international legitimacy. It is a prerequisite for a stable and inclusive post-conflict order and a key determinant of policy quality.

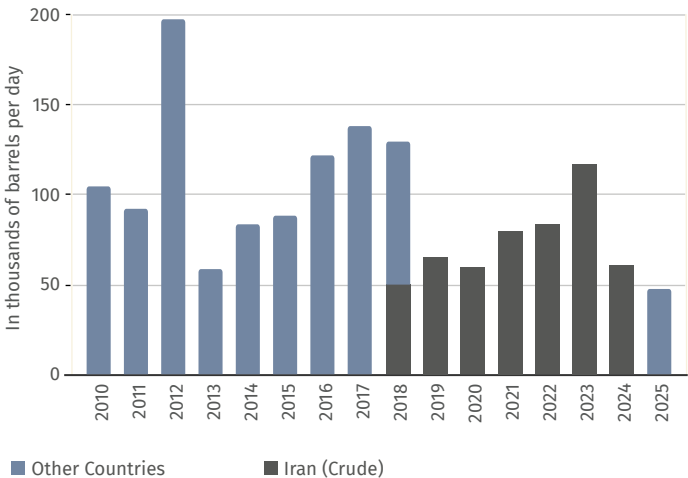
To strengthen the legitimacy of the new parliament and anchor it within a stable political system, the transitional presidency should prioritize completing the electoral process in governorates excluded from voting. Doing so will require political compromises with de facto authorities in those areas. Their continued exclusion has left major segments of Syrian society, including Druze and Kurdish communities, without meaningful representation at the center of decision-making.

Presidential appointments constitute a second, critical mechanism for addressing the structural gaps identified in this analysis. These appointments should follow transparent criteria explicitly aimed at improving the representation of marginalized groups and underrepresented political currents.

## Beyond Iran: Where Syria is Getting Its Oil

On the eve of the Assad regime's collapse in December 2024, an Iranian oil tanker bound for Syria [made a U-turn](#) in the Red Sea. Once an oil exporter producing around [150,000 barrels per day \(bpd\)](#) in 2010, Syria had, during the conflict, become dependent on Iranian oil imports. Between 2011 and 2024, Iran reportedly [provided](#) approximately USD 14 billion worth of oil and petroleum derivatives, averaging about [78,500 bpd](#) during the final five years of Assad's rule. These supplies were financed through [credit lines](#). Assad's fall caused the immediate collapse of this oil-supply arrangement, resulting in an acute [shortage](#) and forcing Syria to seek alternative sources of oil supply.

External Oil Supplies to Syria\*



\* Crude and refined products imports

Note: Figures reflect supplies to Syrian government-controlled areas only (referred to as regime-held areas prior to December 2024).

Source: OAPEC and UANI

The Caretaker Government—formed after the regime's fall—responded to the crisis and, on 20 January 2025, [announced](#) several tenders for importing 4.2 million barrels of crude oil and approximately 2.8 million barrels of refined products. All tenders [attracted](#) no or only negligible responses, as major suppliers remained hesitant to enter payment arrangements with the new Syrian authorities, particularly given the continued presence of sanctions at the time.

Reports indicated that, at the beginning of January, the Iraqi government [resumed](#) oil supplies under a mechanism in place since the previous regime era, estimated at around 33,000 bpd, following signals from the US and Türkiye emphasizing its importance in supporting the new Syrian administration. The new quantities were not disclosed, and no further information was provided on whether

these imports remain active. This ambiguity was reinforced after the Iraqi Ministry of Oil [denied](#) the existence of such supplies altogether, although it remains unclear whether this denial was intended to shield Iraq from potential sanctions.

Seeking to secure short-term domestic oil supplies, the government [concluded](#) an urgent agreement with the Syrian Democratic Forces (SDF) in late February 2025. Sources differed on the quantities to be supplied from the fields in Al-Hasakah and Deir Ezzor to government-held areas, but estimates ranged between [5,000](#) and [15,000](#) bpd. The three-month arrangement was [renewed](#) in June 2025.

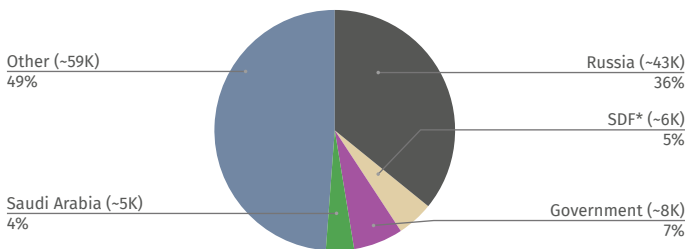
Meanwhile, as sanctions began to ease, the authorities announced additional tenders in [March 2025](#) to procure 7 million barrels of light crude. The same tender was reannounced in [June](#), apparently because the earlier round received no positive responses. The Ministry of Energy likewise announced no results for that tender, indicating that no offers were received. The most recent tender, [announced](#) in November, is a further repetition of the previous ones; however, Youssef Qabalaoui, CEO of the Syrian Petroleum Company, [revealed](#) that the tender was awarded to a company without disclosing its name.

These volumes were clearly insufficient to close the domestic demand gap. Syria subsequently turned to Russia to source oil, with the first shipment [reported](#) to have arrived in early March. By the end of October 2025, Russia had [sent](#) 17 shipments totaling more than 15.7 million barrels. We have found no evidence of Russian supplies through November and December.

Russia [became](#) Syria's dominant external oil supplier following the Iranian cutoff, delivering approximately 58,000 bpd of crude oil between March and November 2025. Saudi Arabia, in turn, [granted](#) 1.65 million barrels of light crude in November as part of efforts to support the Syrian government's economic recovery. With the arrival of Saudi oil, Syria gained an additional 27,500 bpd, [sufficient](#) through the end of the year, according to Qabalaoui.

Separately, the government controls several oil fields in the west Euphrates and the Badia, producing approximately 8,000 bpd, according to the [Minister of Energy](#), who revealed that total consumption needs are estimated at 120,000 bpd.

## External and Domestic Sources of Oil Supply in 2025



\*Assuming an average of 10,000 bpd from SDF between February and September. Note: Shares calculated based on 120,000 bpd of total consumption needs. Source: Estimated by Karam Shaar Advisory Ltd. based on government data and media articles.

The arrangement with the SDF, renewed in June 2025, reached [maturity](#) by October. It was [expected](#) that this period would see tangible steps toward a transition involving the handover of the Deir Ezzor fields to the Syrian government; however, this did not materialize. No announcements were issued regarding the renewal of the expired arrangement. More recently, Ahmad Yousef, co-chair of the Finance Authority of the Democratic Autonomous Administration of North and East Syria, revealed that Damascus [has halted](#) oil supplies from Kurdish-controlled fields that had begun in [February](#). The resulting shortfall in SDF-supplied oil was more than offset by the Saudi grant throughout the remainder of 2025, strengthening the Syrian government's negotiating position with the SDF.

Furthermore, over the course of 2025, a report [noted](#) an expansion in the smuggling of refined petroleum products from Lebanon into Syria. Petroleum imports into Lebanon [rose](#) by 39% in the first half of 2025—an increase of nearly 38,000 bpd compared to the same period in 2024—far exceeding growth in Lebanese domestic demand. The report aligns our findings (see chart above), indicating that approximately 59,000 bpd remain of unknown origin, highlighting the significant role of smuggling and illegal trade in bridging the gap in demand for oil and its derivatives. Other potential sources for supplying petroleum products might be [the companies](#) that used to secure the demand in northwest Syria before 2025 and remained active, and even [expanded](#) throughout the Syrian territory after the collapse of the regime.

To muddy the picture further, the Syrian government resumed oil exports, a step [misinterpreted](#) by many news outlets as a return to pre-conflict net exporter status. However, the easing of sanctions following the regime's collapse enabled the government to return to international markets as an exporter, not because of excess supply, but because of the lack of refining capacity.

In June 2025, a [shipment](#) of about 256,000 barrels (29,871 tonnes) of naphtha was exported through the Baniyas terminal. While the destination remains officially [unknown](#), our research indicates that

the cargo was bound for Europoort Rotterdam in the Netherlands, based on vessel-tracking data. This was followed by a more significant milestone in September 2025, when Syria [shipped](#) 600,000 barrels of heavy crude oil via the Tartous terminal. The buyer was reported to be [B SERVE ENERGY DMCC](#), a virtually unknown entity with no prior trading history. Although initial media reports erroneously [linked](#) the deal to BB Energy—a mistake later corrected by [Reuters](#)—our tracking of the physical movement of the cargo suggests a different connection. According to our investigation, the oil was [loaded](#) onto the *Nissos Christiana*, a tanker [managed](#) by Kyklades Maritime Corporation with a documented history of chartering for [Vitol Group](#). Notably, the vessel's final destination was Sarroch, Italy, home to the Sarlux refinery controlled by Vitol following a [partial acquisition](#) in 2024. Such purchases, under the suspension of the Caesar Act and the lifting of EU sanctions, did not contravene any sanctions against Syria.

With the Homs refinery, which specializes in heavy crude processing, largely [deteriorated](#), some of this oil is [unusable](#) domestically. Exporting it [generates](#) hard currency to import refined fuels or [light crude](#) for processing at the Baniyas refinery. Officially, the origin of the exported oil remains unclear, although most of Syria's heavy oil is known to be [located](#) in the northeast, largely outside direct government control at present.

In 2025, Syria sourced oil through multiple channels, including Russian crude, Saudi assistance, supplies from the SDF, limited domestic production, and regional smuggling networks. Despite this diversification, the country was unable to secure reliable energy provision, primarily because it could not freely procure oil on international markets through tenders, a problem that is likely to ease with the recent lifting of the Caesar Act but will not entirely disappear given the country's continued disconnectedness from the global banking system. Moreover, existing supply arrangements have proven unstable, as illustrated by the discontinuation of the deal with the SDF, the one-off Saudi grant, and the likelihood of pressure from the US administration regarding the reliance on Russian supplies, all of which may force Damascus to seek alternative sources.

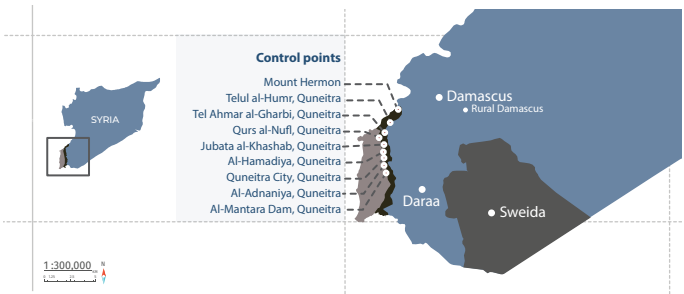
Achieving a more sustainable supply will require Damascus to rapidly conclude a comprehensive agreement with the SDF in order to restore unified [control](#) or arrive at a production sharing agreement over national resources. According to the Syrian Minister of Energy, the SDF is currently [producing](#) between 80,000 and 110,000 bpd. With Saudi assistance largely exhausted and continued negotiations with the SDF, Syria faces a critical juncture that could result in renewed energy shortages in early 2026, particularly in light of a forecasted future [spike](#) in consumption. The country's outlook will therefore depend heavily on the outcome of talks between Damascus and the SDF, as well as parallel negotiations with Iraq to activate the Kirkuk–Baniyas pipeline, which will be examined in later issues of *Syria in Figures*.

# Israel's Expanding Military Footprint in Syria: One Year On

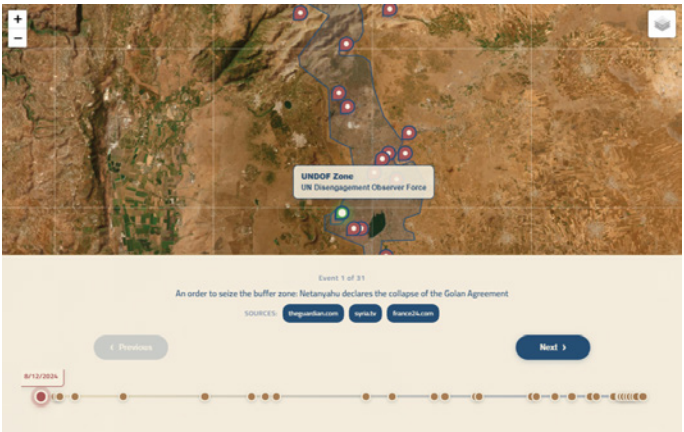
Within hours of opposition fighters arriving in Damascus on 8 December 2024, Israeli military forces launched a large-scale ground operation into Syria, taking control of the 50-year-old demilitarized zone and advancing deeper into parts of western Daraa and Quneitra. In total, approximately [350 square kilometers](#) of territory were captured, stretching from Mount Hermon in the north to a strip of Daraa's Yarmouk Basin in the south. Over the same 48-hour period, Israeli fighter jets launched at least [350 airstrikes](#) across Syria, targeting former regime military infrastructure. Hundreds more strikes followed through the remainder of December, with nearly 1,000 recorded in total as of 8 December 2025.

In 2025, having consolidated control over this expanded "buffer zone," Israeli military forces launched hundreds of ground incursions into Syria, according to data collected by [Syria Weekly](#). At least nine Israel Defense Forces (IDF) bases have also been established and constructed inside newly occupied Syrian territories (see map below).

Israeli Bases Inside Syrian Territories Occupied After the Downfall of the Assad Regime (8 Dec 2025)



■ Syrian Interim Government  
■ Golan Heights      ■ Areas Recently Occupied by Israel      ■ Sweida  
*Karam Shaar Advisory Ltd.*



Interactive Timeline of Key Israeli Incursions (View [here](#)). Source: Open Sources collected by *Karam Shaar Advisory Ltd.*

Initially, Israeli ground incursions into southwestern Syria involved the destruction of former Assad regime military bases and posts, followed by the construction of new military infrastructure. These operations included the laying of minefields, the [seizing and demolishing of homes](#), the forcible displacement of civilians, and the clearing of agricultural land and forested areas. This process has included the razing of more than 110 acres of the historic Jubata al-Khashab forest, as well as the depopulation of and restrictions on local Syrian access to vast stretches of agricultural land. Farmers and herders who have attempted to enter or use their land within sight of Israeli lines of control have frequently been subjected to live fire. In a profoundly rural region, the local agricultural sector has been crippled.

Since June 2025, an average of 17.5 Israeli ground incursions have been conducted each week. These incursions typically involve armored patrols through populated areas, followed by the establishment of temporary checkpoints on main roads, where all passing Syrian civilians are stopped, searched, questioned, and have their phones examined. In some cases, biometric data is also collected. Incursions also routinely include military raids on residential buildings, commercial businesses and, at times, schools. Dozens of Syrian men have been extrajudicially detained by IDF forces and taken into Israeli territory for interrogation—often to be released in rural areas and left to find their way home a day or two later. At least a dozen men remain in Israeli detention, with their whereabouts unknown.

Throughout the past year, the Syrian government's only response to Israel's actions has been to issue public statements of condemnation through the Foreign Ministry and to file complaints with the United Nations. Although not acknowledged publicly, Syrian Interior Ministry officers stationed in Daraa maintain lines of communication with Israeli counterparts, and during periods of heightened tension, such communication has occurred at the ministerial level. Nevertheless, there is a significant risk that Israeli actions may ultimately prove self-fulfilling, whereby sustained measures taken against a non-existent threat could contribute to the emergence of a real one.

Relatedly, two deadly exchanges have occurred in 2025, neither of which involved Syrian government personnel:

- March 2025, Koya, Daraa: Seven local men were killed by IDF forces after resisting an incursion.
- November 2025, Beit Jinn, Rural Damascus: Fourteen people were killed after several local men resisted an IDF raid.

Following months of US mediation, several rounds of direct Syria–Israel talks involving Syrian Foreign Minister Asaad al-Shaibani and then-Israeli Minister of Strategic Affairs Ron Dermer collapsed in late September. In the ensuing vacuum, Israel has sharply intensified its military activities in Syria, conducting nearly 200 incursions in November and December—almost doubling the average monthly rate seen earlier in the year. This record-high level of incursions, in

addition to an escalation in air and artillery strikes, appeared to function as a pressure tactic aimed at inducing concessions from the Syrian government. Direct talks resumed on 5 January following a personal request from US President Donald Trump.

For now, US mediation efforts have focused on reaching a security agreement between Syria and Israel—one that guarantees Israeli security concerns, brings an end to Israeli military operations inside Syria, and creates the confidence necessary to induce an eventual Israeli withdrawal from territory occupied since 8 December 2024. For its part, Israel continues to demand the “demilitarization” of southern Syria, which—depending on the outcome of negotiations—may permit the presence of Syrian Interior Ministry personnel. Israel also insists on retaining all positions on Mount Hermon.

Having staked a significant claim on the success of Syria’s transition, US President Trump and his administration have sought to de-escalate Israel–Syria tensions and facilitate talks toward a negotiated outcome. The intensification of Israeli ground incursions through November, combined with the killing of 14 people in Beit Jinn on 28 November, has triggered renewed efforts by the [US military](#), [senior Trump administration officials](#), and [President Trump](#) himself to signal frustration with Israel.

While direct talks have resumed and Israel’s negotiating team has been reshaped to be led by figures more publicly open to agreements with Syria, it remains hard to envision an Israeli withdrawal from territory in which it now operates at least nine military bases. With Israel’s new ultra-orthodox Hashmonaim Brigade newly deployed to occupied areas of Syria and revelations emerging of continued Israeli assistance to Druze militias in As-Suwayda and recent visits by Assad regime figures to Israel, the wider tensions that define the challenges laid out in this article look as deeply entrenched as ever.

## What is Syria in Figures?

*Syria in Figures* is a monthly publication that provides data-driven and insightful analysis of developments shaping Syria's political economy. It prioritizes relevance and novelty, which makes it a vital resource for policymakers, humanitarian implementers, researchers, and other stakeholders attempting to understand Syria's complex landscape.

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**Editor-in-Chief:** Karam Shaar

**Coordinator and Contributor:** Benjamin Fève

**Contributors:** Mohammad Ahmad, Mulham Al-Jazmaty, Charles Lister

**Developer and Data Analysis:** Kareem Ahmad, Jaber al-Kasem

**Fact-Checking:** Yasser Sakbani

**Designer:** Saleh Haj Yousef, Zaher Joban

**Copy Editor:** Traci Lawrence

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