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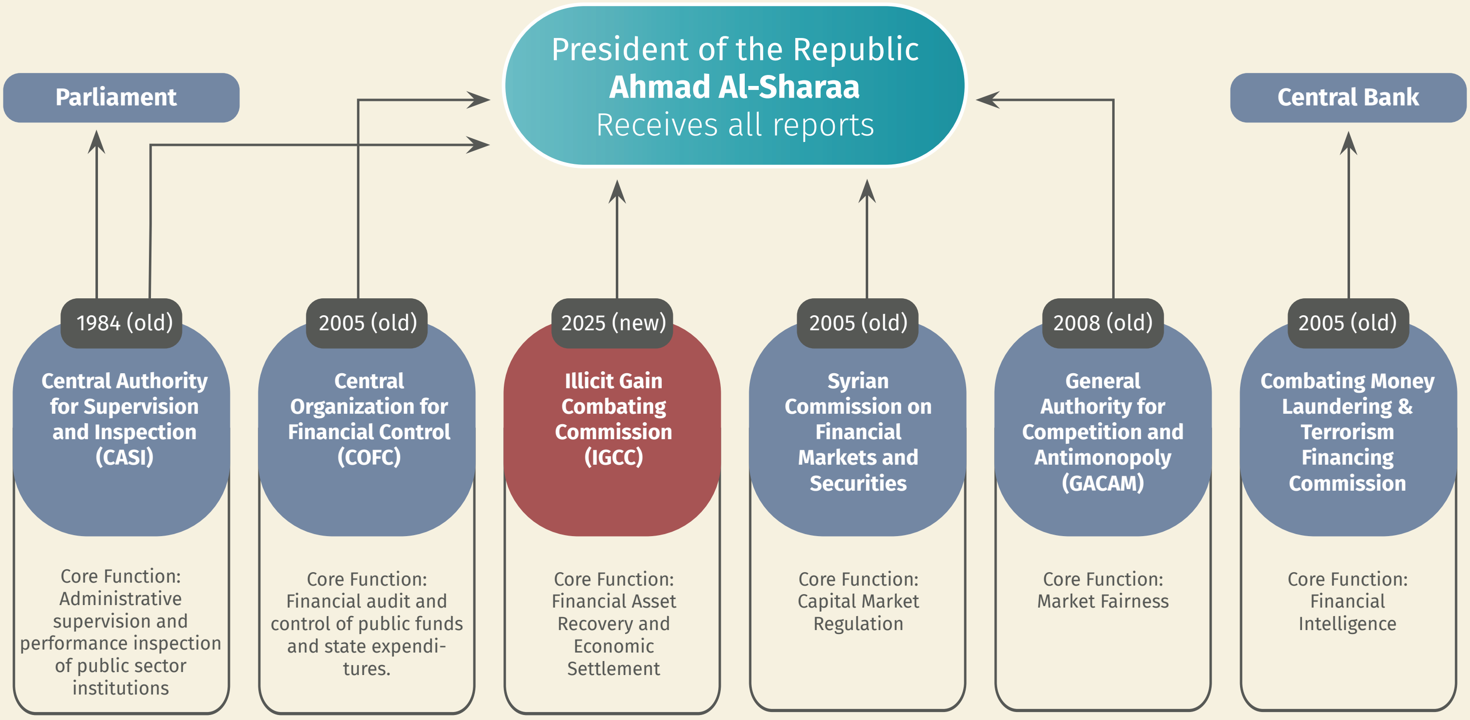
Syria in Figures

Making Sense of Syria's Economy

Executive Consolidation and the Limits of Oversight Reform in Post-Assad Syria

Syria's transitional authorities have intensified anti-corruption enforcement—but does expanded oversight signal genuine accountability or a consolidation of supervisory power within the Presidency?



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Syria's Aviation in 2025: An Inhibited Recovery

External Contribution: Thomas Pierret: Senior Researcher, IREMAM (CNRS/Aix-Marseille Université)

Interview: Omar Barahmji – Chairman of the Board of Directors, Damascus Securities Exchange

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MAKING SENSE OF SYRIA'S ECONOMY

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Executive Consolidation and the Limits of Oversight Reform in Post-Assad Syria

Since Assad's downfall in December 2024, Syria's transitional authorities have intensified anti-corruption enforcement and reorganized the country's oversight institutions. New settlement mechanisms, expanded inspections, and pledges of financial reform signal a shift in supervisory activity. Yet these developments have unfolded within a consolidated executive structure, raising questions about whether oversight reform is aimed at strengthening accountability or concentrating it within the Presidency.

Executive Reorganization

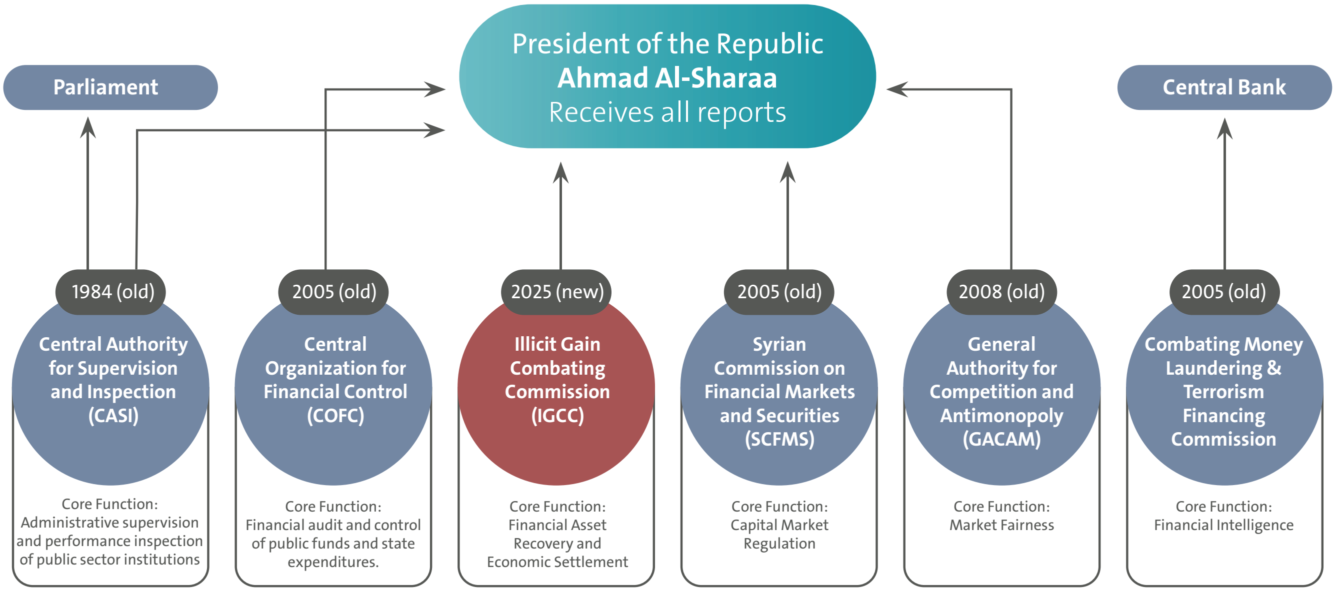
In the first half of 2025, Syria's Central Authority for Supervision and Inspection (CASI) stated in media remarks that approximately 1,400 corruption cases had been registered, primarily involving financial misconduct and procurement fraud. According to a media interview, confirmed violations were estimated at around 350 billion SYP (approximately USD 30 million at 11,650 SYP/USD). Nearly 200 cases were referred to the judiciary, with between 1,350 and 1,400 individuals transferred to the competent courts.

At the same time, CASI has also increased the visibility of its inspection activity, publishing statistical infographics detailing investigations, financial recoveries, and case referrals.

This intensification of enforcement coincides with a broader restructuring of Syria's oversight architecture. In March 2025, the transitional government was formed without a prime minister, consolidating executive authority under the Presidency through the Presidential Secretariat, headed by al-Sharaa's brother. As a result, most oversight bodies now report directly to the President rather than through an intermediary executive tier.

Formally, the restructuring was presented as an effort to enhance efficiency and address bureaucratic fragmentation through ministerial mergers. However, the concentration of reporting lines under the Presidency reduces institutional distance between supervisory bodies and executive authority, potentially reshaping the balance between oversight and executive control.

The current expansion of oversight activity should therefore be viewed not only as an attempt to address legacy corruption, but also as part of a broader administrative consolidation. Whether enforcement mechanisms will extend to misconduct involving newly empowered authorities remains uncertain.



Note: All executive powers previously vested in the Prime Minister were transferred to the President
Source: The affiliation of these bodies was determined through analysis of their establishment or rebranding decrees and laws by Karam Shaar Advisory Ltd.

Central Organization for Financial Control Expands Its Operations

The scope of the Central Organization for Financial Control's (COFC) activity has also expanded markedly, suggesting a substantial intensification of audit activity and enforcement exposure. In 2023, the latest year for which there are publicly available reports, the organization claimed financial violations amounting to SYP 95 billion (approximately USD 6.7 million at 14,200 SYP/USD).

More recent statistics suggest a substantial escalation. According to official figures published since Assad's downfall, the total volume of financial corruption uncovered amounted to about SYP 527 billion (approximately USD 45.2 million at 11,650 SYP/USD), among other cases.

The Organization's mandate includes auditing public accounts, monitoring financial and administrative compliance across ministries and state-owned entities, and safeguarding public funds. Over the past year, it has expanded its digital footprint through its official website and by activating a public reporting platform, enabling online submission of complaints and publication of oversight outcomes. These steps reflect an effort to formalize reporting mechanisms and broaden supervisory reach.

The organization is currently headed by Mohammad Omar Qdeid, also known as Abu Abdelrahman, who was previously affiliated with Jabhat al-Nusra and later Hayat Tahrir al-Sham. Because the COFC reports exclusively to the Presidency, it is structurally centralized within the executive apex.

Illicit Gain Combating Committee and Open Questions

The activities of the Illicit Gain Combating Committee (IGCC) appear more consequential in scale than those reported by CASI and the COFC. According to media reporting, more than 900 individuals are currently under pursuit, and assets reportedly valued at around USD 800 million were recovered in a single settlement with an Assad-era businessman. These figures exceed the financial exposures typically documented by other oversight bodies.

The IGCC, established by Presidential Decree 13 of 2025, has positioned itself at the center of efforts to address illicit enrichment linked to the former regime. On its official site, the Committee outlines a six-month Voluntary Disclosure Program, scheduled to conclude at the end of May 2026, allowing individuals and entities suspected of illicit gain to normalize their financial status through negotiated settlements. The Committee presents this mechanism as a means of accelerating asset recovery in light of judicial constraints and the protracted timelines associated with formal litigation.

Following public protests and media criticism concerning transparency, the Committee has clarified that settlements do not extinguish public rights or exempt participants from criminal liability, nor do they affect victims' personal legal claims. In official statements, it has emphasized that asset recovery proceeds in parallel with other justice mechanisms and does not replace criminal accountability.

At the same time, a legal ambiguity remains. Article 4 of the decree defines the Committee's jurisdiction as covering holders of public office and civilian and military employees. In practice, however, enforcement has thus far focused on private-sector business figures associated with the former regime. This divergence between formal jurisdiction and operational targeting raises questions about the Committee's interpretive scope and legal anchoring.

The central issue may therefore lie less in the concept of voluntary settlements itself than in the transparency of their negotiation: the valuation of assets, the terms of financial set-off, the destination of recovered funds, and the institutional mechanisms overseeing their redistribution.

An open institutional question persists as to whether the Committee's mandate will remain confined to the temporary Voluntary Disclosure Program or evolve into a permanent anti-corruption body with clearly articulated procedural safeguards and judicial integration. Its long-term credibility will depend on the degree to which transparency and accountability are embedded within its operations.

Preventive Architecture: The Incomplete AML/CFT Framework

Effective anti-corruption systems extend beyond case resolution to include preventive financial infrastructure. In this regard, Syria's Combating Money Laundering and Terrorism Financing Commission (CMLC) represents an institutional foundation, but the broader AML/CFT framework remains incomplete. The Central Bank Governor has stated that a comprehensive national AML/CFT strategy is nearing completion.

The delayed formalization of this strategy highlights persistent gaps in the preventive dimension of corruption control, particularly in risk assessment, compliance supervision, and financial intelligence coordination. While enforcement bodies have intensified inspections and negotiated settlements, preventive architecture requires systemic alignment with the FATF Recommendations.

Without a fully articulated compliance framework, enforcement remains primarily reactive. Inspection and settlement mechanisms address misconduct after it surfaces; preventive regimes aim to deter illicit financial flows before they materialize. As previously analyzed, alignment with international AML/CFT standards is a prerequisite for reintegrating Syria's banking sector into global financial networks and restoring correspondent relationships.

The trajectory of this reform will therefore determine whether anti-corruption governance evolves from episodic intervention toward systemic deterrence, a shift essential to sustainable financial reintegration with the rest of the world.

Centralization, Oversight, and the Accountability Constraint

The restructuring of oversight institutions has expanded inspection activity and formal supervisory capacity. However, this expansion has occurred within a vertically consolidated executive framework. Anti-corruption bodies report directly to the Presidency, while the legislative council remains absent, and judicial independence is constrained. In the continued absence of a fully functioning legislative council, oversight operates largely within executive boundaries rather than across branches of government.

Public transparency has increased through published figures, settlement announcements, and inspection reports. Yet major economic decisions—including large contracts and the allocation of state funds—remain highly opaque. Rather than redistributing supervisory authority across institutions, the reform has concentrated it at the executive center.

The central question is therefore political as much as institutional: does President al-Sharaa's anti-corruption campaign represent a genuine transition toward rule-based accountability, or does it function simultaneously as a mechanism of executive consolidation and cracking down on Assad-era cronies? Furthermore, the durability of reform will depend on whether supervisory authority is eventually subjected to meaningful legislative participation and judicial counterweight, or remains centralized within the Presidency, which is yet to be seen.

Recapitalizing Private Banks: Urgency and Policy Options

Amid high expectations for the role of Syrian banks in the reconstruction phase, the country's private banking sector faces a binding capital constraint. Total private banking capital (equity), based on our analysis of banks' financial statements published on the Damascus Securities Exchange website, remains below 1 billion USD, limiting banks' capacity to withstand financial shocks, finance imports, and extend credit. Against this backdrop, recapitalization emerges as a central pillar of efforts to reform the banking sector.

This article reviews the balance sheets of private Syrian banks as published on the Exchange website, examines the composition and distribution of assets and capital domestically and abroad, assesses how this distribution affects banks' capacity to finance, and outlines potential recapitalization pathways.

All Syrian private banks combined hold equity equal to that of a single regional bank

As of Q4 2025, the total equity of all Syrian private banks stood at SYP (old) 8.7 trillion (about USD 795 million). This is roughly equivalent to the equity of a single bank in Jordan, Egypt, or Tunisia, ranking in the lowest quartile among the largest 100 Arab banks.

Despite this limited aggregate capital base, most banks formally comply with domestic regulatory capital requirements. Syrian legislation sets the minimum capital requirement (MCR) at SYP (old) 10 billion (USD 0.9 million) for conventional banks and SYP (old) 15 billion (USD 1.3 million) for Islamic banks. Most private banks meet or exceed these thresholds, with some holding paid-in capital several times the required minimum.

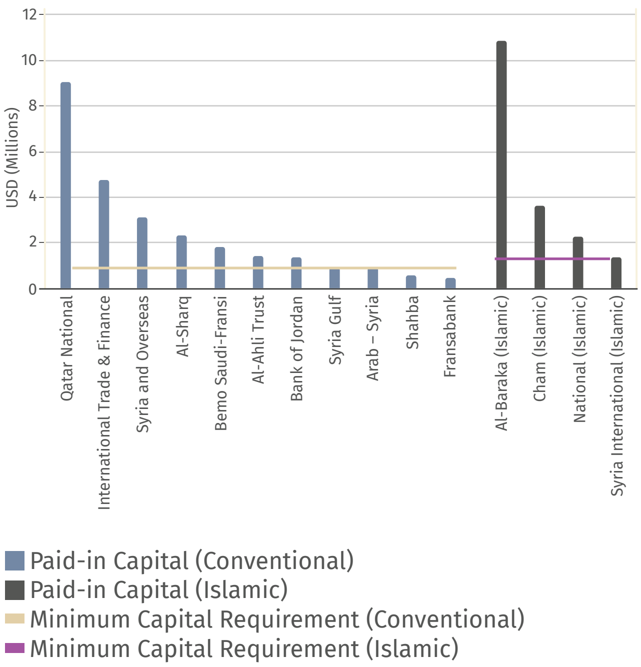
In 2010, when the exchange rate stood at SYP 47 per USD, the MCR was equivalent to USD 212.7 million for conventional banks and USD 319.1 million for Islamic banks—levels broadly aligned with neighboring countries at the time. Since then, however, the requirement has not been adjusted. As inflation and currency depreciation accelerated during the conflict, the inflation-adjusted value of the MCR declined sharply.

As a result, Syria's MCR is now only a fraction of its pre-war USD equivalent and remains exceptionally low compared with regional peers (excluding Lebanon, which is undergoing a severe banking crisis).

Minimum Capital Requirement (USD) Private banks

- Syria (2010): Traditional banks 0.9 million; Islamic banks 1.3 million
- Lebanon (1991): Commercial banks 0.1 million
- Türkiye (2022): 0.7 million
- Jordan (2010): 14.1 million
- Egypt (2021): 105 million
- Iraq (2019): 191.5 million

Paid-in Capital by Private Banks



Source: Data published by Damascus Securities Exchange and compiled by Karam Shaar Advisory Ltd.

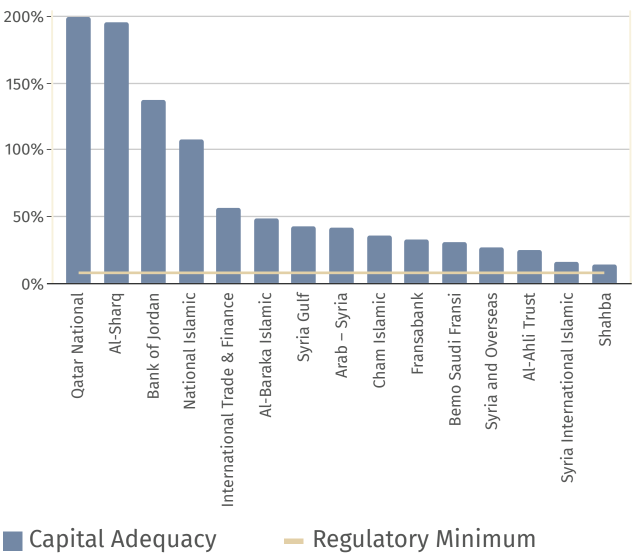
Capital Adequacy: Compliance with Obsolete Standards

At first glance, Syrian private banks appear exceptionally well capitalized. As of Q4 2025, our calculations show that their capital adequacy ratios (CARs) far exceeded the Central Bank's regulatory minimum of 8 percent as well as the Basel III Committee's 10.5 percent requirement, and for three banks, exceeded 100 percent. Compared with leading international institutions, Syrian banks seem even stronger on this metric: CARs stand at about 50 percent for some major Gulf banks and approximately 17 percent for major US banks such as JP Morgan and Citibank.

These elevated ratios, however, largely reflect restrictive lending (the denominator) rather than capital depth (the numerator), mechanically inflating the ratio without a corresponding expansion in high-quality capital. As of Q3 2025, net credit facilities account for only 12.3 percent of total assets across Syrian private banks—the asset class most exposed to credit risk and a central determinant in CAR calculations.

Another important factor to highlight is Syria's continued application of Basel II standards, whereas Basel III imposes stricter capital quality requirements, resulting in materially lower effective capital adequacy ratios under comparable balance-sheet conditions.

Capital Adequacy of Private Banks



Note: Data is based on the latest disclosures as provided by the source, ranging from Q3 2024 to Q4 2025.

Source: Data published by Damascus Securities Exchange, and compiled by Karam Shaar Advisory Ltd.

Balances and deposits abroad at the expense of domestic lending

During the conflict, Syrian private banks increased their balances and deposits with foreign banks—primarily with their parent banking groups—while reducing exposure to domestic credit risk. This shift reflected a deliberate tightening of local lending policies.

According to our calculations, the average ratio of capital held in foreign accounts to total domestic credit is 7.2. In practical terms, for every SYP extended in domestic lending, more than SYP 7 is held in foreign accounts. This allocation significantly constrains the expansion of domestic credit, compounded by the Central Bank's liquidity constraints since 2019–2020.

The problem is exacerbated by limited recoverability in some cases, particularly for banks affiliated with Lebanese banking groups, and by other banks' reluctance to repatriate funds in line with their internal risk policies.

This dynamic raises questions about the effectiveness of prudential oversight and the Central Bank's role in aligning asset allocation practices with broader financial stability and growth objectives.

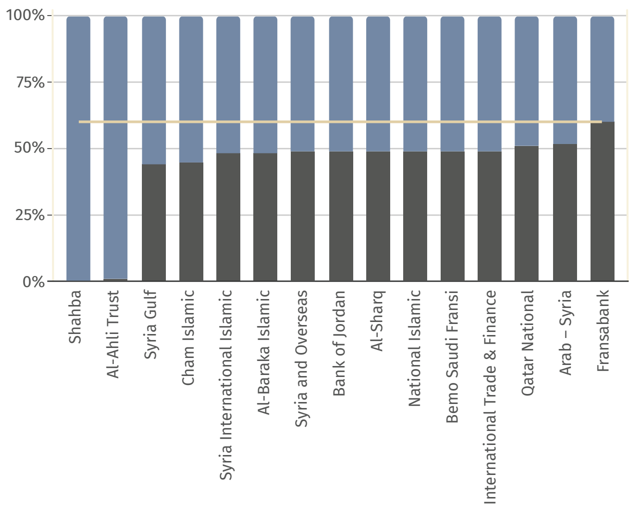
The role of local contribution in capitalization

Foreign ownership limits constrain the scope for recapitalization through external investors alone, making stronger local participation unavoidable.

Under Syrian legislation, the maximum share limit for non-Syrian owners is 49 percent, which rises to 60 percent if the parent banking group abroad holds the largest share. Except for Al-Ahli Trust Bank and Shahba Bank, which are fully Syrian-owned, most banks' foreign ownership ranges between 44 percent and 60 percent, mostly held by the strategic partner. This leaves limited headroom for meaningful capital increases through foreign participation alone.

By contrast, there are no statutory limits on local ownership. Shares are distributed among Syrian individuals, legal entities, and the public sector, which holds 5.2 percent of private banks' total capital. Because foreign ownership is capped, any recapitalization strategy must mobilize domestic capital alongside foreign participation.

Ownership Structure of Syrian Banks



Note: Data on ownership structures were updated as of Q3 2025 by the source.

Source: Damascus Securities Exchange. Data compiled and analyzed by Karam Shaar Advisory Ltd.

Given these constraints, recapitalization should begin with regulatory action. The Central Bank should raise the minimum capital requirement to offset the SYP's depreciation during the conflict and set a clear, sufficient compliance deadline that takes into account the struggles faced by those banks.

Regarding foreign ownership, authorities could consult parent banking groups to cover their proportional share of any capital increase or facilitate the sale of shares to interested foreign investors. An acquisition request was recently announced by Estithmar Holding to acquire a majority stake in Shahba Bank and a 30 percent stake in Syrian International Islamic Bank, subject to regulatory approval.

On the domestic side, several mechanisms are available. Banks could capitalize retained earnings by distributing bonus shares rather than cash dividends. Large depositors could be offered incentives to convert long-term deposits into equity instruments, easing liquidity pressures while strengthening capital buffers. The government could also increase the participation of public entities, including the Syrian Sovereign Fund and the Syrian Development Fund, with provision for eventual resale to founding shareholders.

Ultimately, the success of any recapitalization strategy depends on coordinated action among regulators, the government, bank management, and depositors within a transparent framework focused on financial stability.

Syria's location has long positioned it as a potential energy hub, placing its territory at the center of numerous proposed pipeline projects—some executed, others never materialized. This is the final article in a series building on earlier *Syria in Figures* pieces that examined the implications of the revival of the Arab Gas Pipeline (AGP) and the Iraq–Syria oil pipeline. It concludes by inviting a broader reassessment of Syria's potential role in future regional gas transit networks.

Three pipelines are central to this discussion.

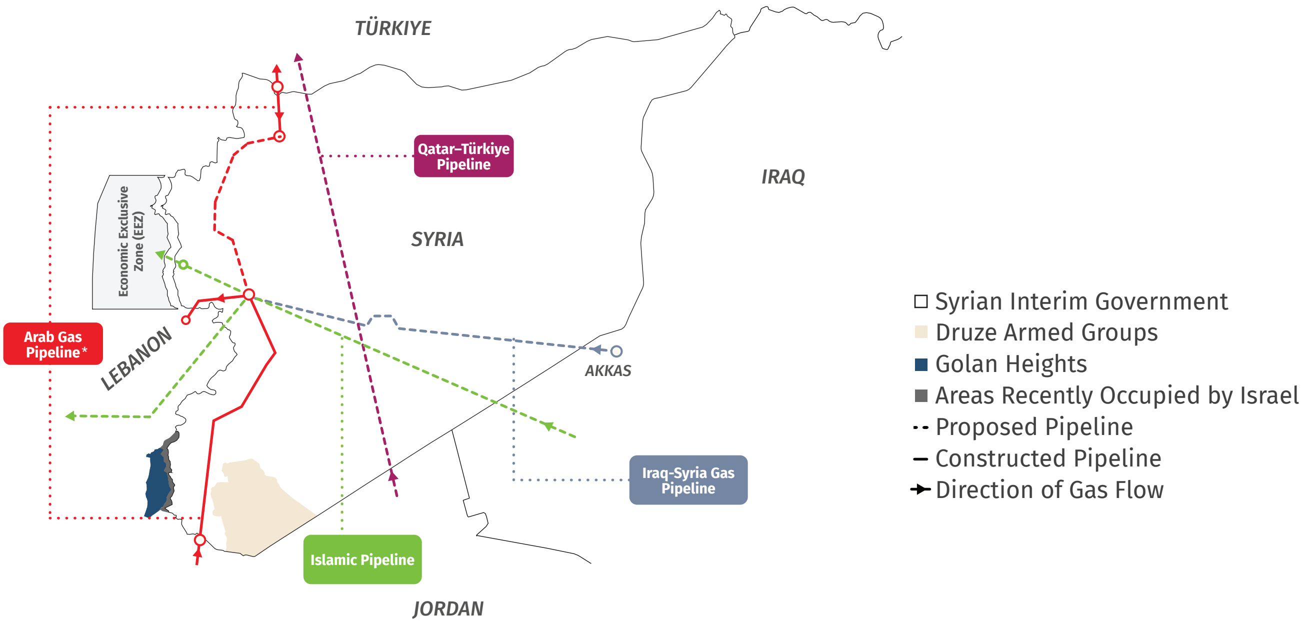
The first is the Qatar–Türkiye Gas Pipeline. Proposed in 2009 by Sheikh Hamad bin Khalifa Al Thani, then-ruler of Qatar, the project aimed to transport gas from Qatar's North Field to Türkiye and onward to European markets. One potential route would have passed through Saudi Arabia, Jordan, and Syria before reaching Türkiye. This would have linked to the AGP and potentially offered an alternative to Russia's natural gas supplies to Europe. The project was also promoted by then-Prime Minister Recep Tayyip Erdoğan. Former Syrian President Bashar al-Assad reportedly refused to sign the agreement in 2009, allegedly under pressure from Russia. Discussions about reviving the project resumed within 48 hours of Assad's escape. Turkish Energy and Natural Resources Minister Alparslan Bayraktar stated that the pipeline could be realized if Syria restored its territorial integrity and achieved stability. However, Qatar firmly denied that any discussions were currently underway.

The second regional pipeline is the Friendship Pipeline, also known as the Islamic Pipeline. In July 2011, Iran, Iraq, and Syria signed a Memorandum of Understanding (MoU) for a similar gas project. In February 2013, Iraq approved the framework agreement for its construction. The pipeline was intended to transport Iranian natural gas from the South Pars field—shared with Qatar—through Iraq and Syria, potentially reaching Lebanon, Mediterranean ports, and ultimately Europe. The escalation of the Syrian conflict indefinitely delayed the proposed 5,600 km pipeline, whose cost was estimated at USD 10 billion. In 2021, Syria's Minister of Electricity stated that the project had not been abandoned. Assad's departure in December 2024, along with Iran's diminished influence in Syria, effectively suspended it.

Third is the Akkas Gas Pipeline, sometimes referred to in the media as the Iraq–Europe Gas Pipeline. Planned as early as 2009, it aimed to connect the Akkas gas field in Iraq's western al-Anbar province to European markets via Türkiye. The pipeline was also intended to connect with the AGP in Syria and function as an extension of the larger international Kirkuk–Homs Gas Pipeline. Escalating conflict in Syria and Iraq halted development agreements. ISIS seized the Akkas field in 2014, suspending operations and ultimately stalling the project. Sanctions on Syria posed additional obstacles. As the conflict subsided, signs of revival emerged. In mid-2024, reports indicated that the Iraqi government had awarded development of the Akkas field to an undisclosed

Ukrainian company. In January 2026, drilling operations began under the leadership of the US-based company Schlumberger (SLB).

Syria's Gas Corridor Map



* The northern AGP section at the Türkiye–Syria border was originally designed to export gas from Syria to Türkiye but is currently delivering gas into Syria from Türkiye.

Note: The routes shown are indicative only. The alignments are based on publicly available project announcements. Precise routing within Syrian territory remains undetermined.

Source: Data compiled and consolidated by Karam Shaar Advisory Ltd, based on government sources, unpublished maps, media articles and other technical reports. Areas of control are derived from data provided by Liveuamap, as of 23 February 2026.

Against this historical backdrop, a different energy reality is taking shape. Since August 2025, Syria has been receiving gas from Azerbaijan's Shah Deniz field via Türkiye, entering northern Syria through the Kilis–Aleppo pipeline, with Qatari financing. Plans are underway to extend the line southward to Homs, positioning Türkiye and Qatar as central actors in Syria's immediate energy security. Syria's demand for gas to generate electricity, combined with limited domestic output, makes such regional cooperation necessary.

A second operational corridor has emerged with the revival of the AGP. In January 2026, Syria began receiving around four million cubic meters of gas per day from Jordan. Egypt is also considering exporting approximately 1.8 million cubic meters per day to Lebanon via the same route. The gas Syria imports through Jordan is being regasified in Aqaba, Jordan, before being transported north. Much of it, however, is effectively Israeli in origin due to Jordan's imports from the Leviathan field and regional swap arrangements. This creates a geopolitical paradox in which Syria and Lebanon rely on gas from a country they do not formally recognize.

Syria could theoretically receive gas from multiple sources through previously proposed projects while benefiting from existing infrastructure, particularly the operational AGP, which increases its exposure as a potential transit hub. In addition, restoring domestic production or making new discoveries within Syria's Exclusive Economic Zone (EEZ) in the northern Levantine Basin could strengthen its position in the regional energy market.

In this context, statements by the head of the Syrian Petroleum Company (SPC), Youssef Qablawi, are notable. In late 2025, Qablawi outlined a vision in which Syria would double its domestic gas production in the short term and, by 2030, position itself as a regional hub exporting gas to Europe.

In practice, however, major obstacles hinder large-scale reintegration into regional energy networks. These include security requirements, substantial capital investment to rehabilitate damaged infrastructure, and the need for sustained political certainty. Regardless of projected profits, such conditions underpin any significant energy investment. Moreover, many of these pipeline concepts predate the expansion of gas production and exports from the eastern Mediterranean. The development of Israeli and Cypriot fields has reshaped the regional landscape, potentially reducing the relevance or urgency of earlier proposals.

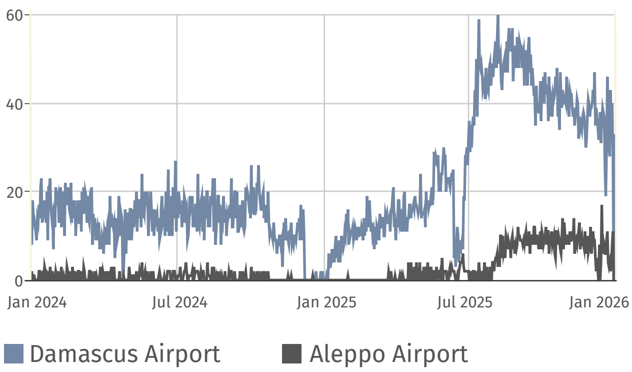
The region also faces significant competition. Israel, Egypt, Cyprus and others are pursuing similar objectives through the Eastern Mediterranean Gas Forum (EMGF), potentially bypassing both Syria and Türkiye. Other competing initiatives include the Israel–Türkiye–EU Pipeline, the Kirkuk (Iraq)–Erzurum (Türkiye) gas pipeline, and the Persian Pipeline, which would extend from southern Iran to Türkiye and onward to Europe, bypassing Arab states including Syria. An additional alternative is the substitution of pipeline gas with liquefied natural gas (LNG), which may offer greater flexibility.

Following the collapse of the Assad regime in December 2024, Syria's potential as an energy hub has regained attention. A critical distinction must nevertheless be made between a transit hub and a transit state. A hub shapes routes, pricing, and diversification; a transit state merely hosts infrastructure determined by external actors. Official discourse, including SPC's 2030 vision, aspires to the former. Yet current realities—Azerbaijani gas entering via Türkiye, Israeli-origin gas arriving through Jordan, and projects dependent on foreign capital—suggest the latter.

In 2025, Syria's civil aviation sector recorded its highest level of activity since 2019, with the movement of more than 1.6 million passengers recorded across Damascus and Aleppo airports. Approximately 11,700 international flights operated—an increase of nearly 300 percent compared to 2024. Around 15 airlines also resumed regular operations during the year.

A marked acceleration occurred in the second half of 2025 following the easing of most US sanctions on 30 June. Based on AirNav Radar, average daily movements across Damascus and Aleppo airports increased from approximately 15 flights per day during the first half of the year to nearly 49 flights per day thereafter. The timing suggests that easing sanctions facilitated the rebound, particularly by encouraging operational normalization.

Daily Inbound and Outbound Flights

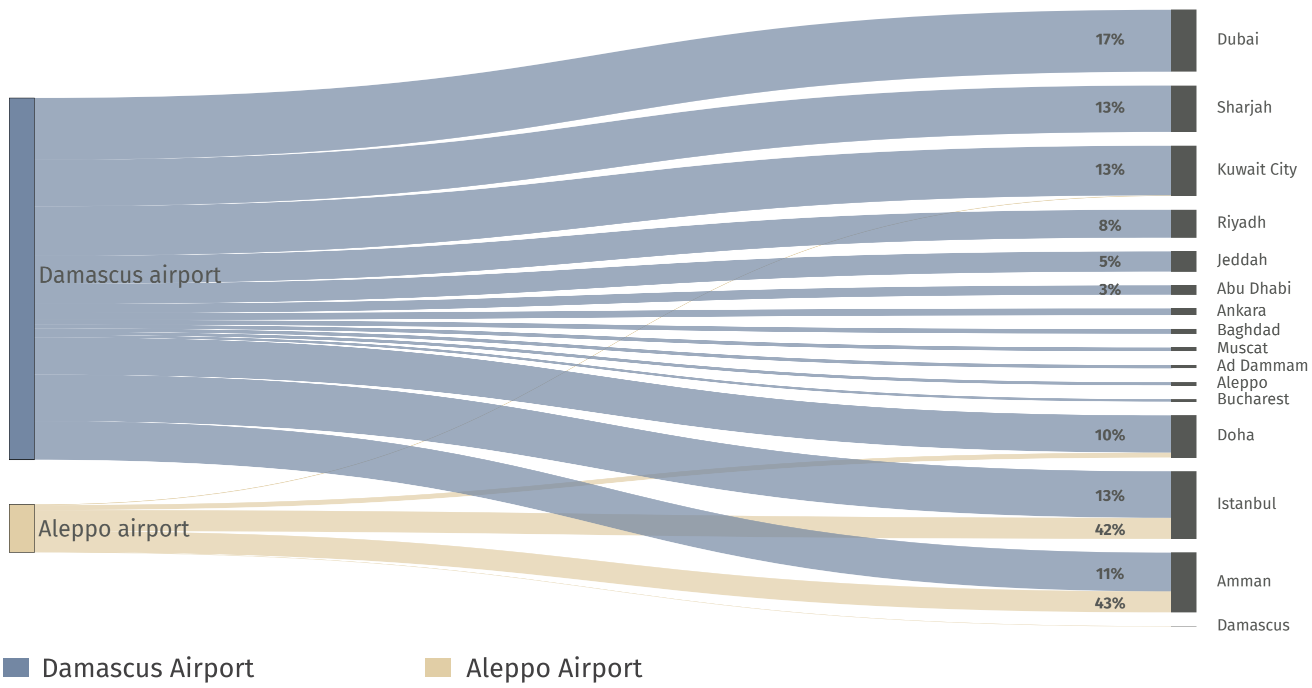


Source: AirNav Radar. Data compiled and analyzed by Karam Shaar Advisory Ltd.

Domestic carriers operated approximately 57 percent of total flights in 2025—a comparatively high share relative to neighboring markets, where national airlines accounted for around 36 percent of traffic in Iraq and 46 percent in Lebanon. Traffic remained heavily concentrated within a narrow regional network. Four Gulf destinations served through Damascus—Dubai (16.7 percent), Kuwait (13.3 percent), Sharjah (12.6 percent), and Doha (10.1 percent)—collectively accounted for more than half of all trips. Meanwhile, roughly 84 percent of traffic through Aleppo International Airport was directed exclusively toward Türkiye and Jordan. These traffic distribution figures are based on ADS-B data sourced from AirNav Radar and analyzed by Karam Shaar Advisory.

By the end of 2025, direct connectivity with Europe remained limited. Aside from two weekly flights to Bucharest, there was no effective return of major European or global carriers and no corresponding expansion of the national carrier into broader international airspace. Against this backdrop, the analysis examines the regulatory and operational constraints that have kept the recovery largely confined.

Average Weekly Inbound and Outbound Flights between Syria and the World



Source: AirNav Radar (18 Feb 2025–18 Feb 2026). Data compiled and analyzed by Karam Shaar Advisory Ltd.

Domestic Operational Capacity

Beyond security risks, entry into Syria's aviation market remains inhibited by inadequate operational standards at Syrian airports. International standards for airport regulation and operations, as defined by the International Civil Aviation Organization (ICAO), encompass instrument landing systems (ILS), radar and communication equipment, aircraft rescue and firefighting categories (RFFS), operational manuals, certification procedures, and ongoing regulatory oversight. In Syria, gaps in several of these areas have constrained full operational normalization.

Over the past years, Syria's aviation sector has experienced significant deterioration in technical and regulatory capacity. Sanctions regimes imposed by the European Union and the United States restricted access to dual-use aviation technologies and specialized equipment.

In this context, essential systems and equipment support provided by Türkiye to Damascus International Airport preceded the entry of Turkish carriers into the market, underscoring the importance of easing operational barriers to facilitate market entry. In early 2026, a new civil radar system entered into service at Damascus International Airport, representing a further step toward improving air traffic management. While these measures indicate incremental improvements, they do not yet amount to full operational normalization.

International Regulatory and Market Access Constraints

The separation between European carriers and the Syrian market dates back to 2012. As the conflict escalated and security conditions around Damascus International Airport deteriorated, European airlines suspended direct services. This suspension was formalized on 15 October 2012, when the Council of the European Union adopted Decision 2012/634/CFSP, prohibiting the landing in, take-off from, or overflight of EU territory by aircraft operated by Syrian Arab Airlines. What began as an operational response to security risks thus evolved into an institutionalized separation embedded within EU compliance frameworks.

Syria continues to be treated as conflict-affected airspace. The European Union Aviation Safety Agency (EASA) maintains a Conflict Zone Information Bulletin (CZIB) recommending that operators avoid the Damascus Flight Information Region (FIR) at all altitudes. While not a formal prohibition, this designation functions as a risk signal within airline safety-management systems and within war-risk insurance pricing and coverage conditions. The US Federal Aviation Administration (FAA) maintains similar operational restrictions on US carriers, reinforcing Syria's classification as a high-risk operating environment.

Syrian aircraft themselves face constraints when attempting to expand other markets. The average fleet age is approximately 24 years for Syrian Air and around 26 years for Cham Wings prior to its rebranding, exceeding the global average of roughly 15 years. An aging fleet is generally associated with lower fuel efficiency, weaker emissions performance, and greater difficulty meeting modern noise standards. Within the EU regulatory framework, operating rights are tied to technical and environmental compliance requirements, including airworthiness and safety standards as well as participation in environmental schemes such as carbon offset mechanisms. Older fleets may require upgrades, retrofitting, or renewal to meet such requirements, which can limit expansion into more highly regulated markets.

Infrastructure Development

In 2025, the government announced a series of airport infrastructure projects. This included a reported USD 4 billion redevelopment plan for Damascus International Airport, alongside upgrades to Aleppo Airport and cooperation with Flynas to strengthen regional connectivity. These initiatives signal an effort to modernize airport facilities and associated operational systems in line with international standards.

However, physical infrastructure upgrades alone do not ensure integration into global aviation networks. Over the medium term, sustained progress in regulatory oversight, governance practices, and safety compliance will be central to restoring airline confidence and expanding international connectivity.

Thomas Pierret: Senior Researcher, IREMAM (CNRS/Aix-Marseille Université), France

On 15–16 February, Syria's Ministry of Religious Endowments (awqaf) convened its first congress since the fall of the Assad regime. Gathering some 1,500 clerics from across the country, the Ministry unveiled the *Charter for the Unity of Islamic Discourse* (Mithaq Wahdat al-Khitab al-Islami), presented as a "national covenant for ulama and preachers." In his address, President Ahmad al-Sharaa framed the initiative as a decisive step toward curbing "sectarian incitement," underscoring the document's importance for inter-communal coexistence.

In practice, however, both the congress and the charter were exclusively intra-Sunni undertakings. This reflects not only the Sunni-centric orientation of the new authorities but also a deeper institutional reality: even under the Assads, the Ministry of Religious Endowments exercised little if any authority over Alawite, Druze, Ismaili, or Twelver Shia religious elites.

Against this backdrop, the "unity" the Charter seeks to promote pertains primarily to harmony between Syria's two principal Sunni currents: the historically dominant traditionalist trend—closely associated with Sufism—and its Salafi counterpart, whose proponents have gained unprecedented influence under the new regime. Particularly significant is the Charter's call for mutual "recognition" of the theological schools (madhahib aqadiyya) upheld by these camps—Asharism and Maturidism on the traditionalist side, and Ahl al-Hadith among Salafis—alongside affirmation of the four Sunni schools of jurisprudence (madhahib fiqhiyya).

Yet divisions within Syria's Sunni religious sphere cannot be reduced to a binary confrontation between traditionalists and Salafis. In his address to the congress, al-Sharaa's advisor for religious affairs, Abd al-Rahim Atun, acknowledged this complexity while clearly signaling the regime's ambition to centralize the religious field under state authority. In language strikingly reminiscent of that employed by Assad's former Minister of Religious Endowments, Muhammad Abd al-Sattar al-Sayyid, on the eve of the 2011 uprising, Atun urged a transition from the present—landscape—characterized by "scattered religious groups (*jamaat*)"—toward "integration into a plan designed by the state." Such integration, he argued, would ensure the "unity and coherence" of religious activity while preserving doctrinal diversity.

The drive to expand the state's religious bureaucracy has already materialized in the establishment of new departments within the Ministry of Religious Endowments, such as those in charge of supervising *halqat* (informal mosque-based study circles) and *ruqiya* (healing through religious incantation). Although it remains too early to assess how these ambitions will further unfold, appointments made thus far within religious institutions point to the new regime's markedly pragmatic approach. Rather than installing Salafi-leaning affiliates of Hayat Tahrir al-Sham (HTS) across the board, al-Sharaa has accorded a prominent role to a range of other religious actors. Foremost among them are members of the Syrian Islamic Council (SIC), a body established in Istanbul in 2014 by dissident ulama. Until 2024, the SIC was ostensibly aligned with HTS's political and military adversaries—namely the National Coalition, the Syrian Interim Government, and the Syrian National Army—and issued numerous fatwas condemning al-Sharaa's organization. Despite this adversarial history, the new president has recognized that SIC leaders far surpassed HTS-affiliated clerics in terms of religious legitimacy. In March 2025, he therefore appointed the SIC's chairman, traditionalist Sheikh Usama al-Rifai as Grand Mufti, while simultaneously ordering the dissolution of his Council and, crucially, the closure of the website that hosted its anti-HTS fatwas.

SIC members were allocated six of the fifteen seats on the Higher Fatwa Council chaired by al-Rifai. Their selection was calibrated to mirror the former SIC's own internal diversity. Abu al-Kheir Shukri, a close associate of al-Rifai, was also appointed as Minister of Religious Endowments in March 2025, a choice arguably related to the fact that he taught religious lessons to the young Ahmad al-Sharaa at the al-Shafii Mosque in the Mezze neighborhood of Damascus. Mufti of Homs Sahl Junayd and Khayr Allah Talib are affiliated with two major components of the SIC, namely, the Muslim—Brotherhood-aligned League of Syrian Ulama and the Salafi-oriented Sham Islamic Committee.

Although they hold one fewer seat than former SIC members on the Higher Fatwa Council, core HTS affiliates occupy roles in parallel that are no less strategically significant. Atun's position as presidential advisor for religious affairs was created ad hoc in May 2025 to counterbalance al-Rifai's appointment as Grand Mufti; Mazhar al-Ways serves as Minister of Justice; Anas al-Musa acts as assistant to the Minister of Religious Endowments for religious instruction; and Ibrahim Shasho holds the post of Mufti of Aleppo.

A third, smaller bloc within the Higher Fatwa Council consists of four traditionalist scholars who remained in regime-held areas throughout the war. Several are affiliated with religious institutions long aligned with the former regime—an indication of al-Sharaa's preference for accommodation over extensive purge. Among them is Abd al-Fattah al-Bazam, director of the al-Fath Islamic Institute and Mufti of Damascus since 1993, as well as Muhammad Wahbi Sulayman, head of the Kaftaro Academy, an Islamic seminary named after the Baathist-era Grand Mufti Ahmad Kaftaro (in office, 1964–2004).

Lower-level appointments paint a similarly mixed picture. Provincial directorates of religious endowments have been divided between former SIC members—such as Samir Bayraqdar in Damascus, Rafaat Abd al-Fattah in Rural Damascus, and Muaz Rayhan in Hama—and HTS affiliates, including Abd al-Hamid al-Khalaf in Idlib, Samir al-Hammud in Homs, and Khalid Amro in Latakia. There has likewise been no wholesale replacement of existing mosque personnel with Salafi clerics. In Damascus, where I was able to conduct field research in December 2025, and in Aleppo, most preachers either remained in place after the fall of Assad or were replaced by returnees of traditionalist orientation.

Nonetheless, al-Sharaa's drive for control has concentrated key senior positions in the hands of HTS affiliates. These include two assistant ministers of Religious Endowments (Anas al-Musa and Diya al-Din Barsha), the director of the Department of Religious Education (Abd al-Rahman Rahmun), and the head of the Central Department for Mosques. The latter, a critical monitoring body first established in Idlib under the HTS-aligned Syrian Salvation Government, is currently led by Siraj al-Din Zurayqat—a controversial figure who previously headed the Lebanese branch of the jihadist organization Abdallah Azzam Brigades.

"Diversity in unity," a phrase used by presidential advisor Atun during his aforementioned address, aptly captures the new Syrian regime's approach to Sunni Islam. The regime has been eager not only to accommodate traditionalist ulama—particularly those from the late SIC—but also to prioritize them over Salafi-leaning HTS affiliates when assigning top religious positions. Yet rather than ceding the religious sphere to former rivals, al-Sharaa maintains close control over Syria's Islamic bureaucracy through a loyal blocking minority within the Higher Fatwa Council, Atun's de facto role as a shadow Grand Mufti, and strategic placements in key executive positions within the Ministry of Religious Endowments.

Interview: Omar Barahmji – Chairman of the Board of Directors, Damascus Securities Exchange

Syria in Figures interviewed Omar Barahmji on legislative reform, market recovery, supervisory responsibilities, and the Exchange's strategic outlook.

Legislative Framework of the Market

Is there work underway to amend the market's legislative framework, particularly Law 55 of 2006?

The legislative framework is the bedrock upon which investor confidence and market efficiency are built. While Law 55 of 2006 provided a vital foundation for the Exchange's launch, the economic and financial developments of recent years, coupled with international shifts, necessitate periodic review. No market can operate with a static legislative mindset in a changing environment.

In coordination with the Syrian Commission on Financial Markets and Securities (SCFMS) and relevant authorities, we are evaluating specific legislative and regulatory aspects to ensure alignment with international best practices, particularly the principles issued by the International Organization of Securities Commissions.

This is intended to enhance transparency, protect investors, and strengthen market efficiency. We are reviewing the relevant laws and regulations, and proposals will be submitted to the supervisory authorities in due course. As you know, this process is contingent upon the completion of the legislative authority represented by the People's Assembly.

Does the representation of listed companies and brokerage firms on the Board conflict with transparency rules?

Stakeholder representation on the Board is intended to ensure a deeper understanding of market dynamics, but it does not imply a breach of governance or integrity. Clear protocols are in place to manage conflicts of interest, including prior disclosure and abstention from voting where a direct interest exists, supported by specialized committees that strengthen the governance framework.

The objective is to balance professional representation with effective oversight. This approach is common in many financial markets. Furthermore, the Board's composition—consisting of nine members—is carefully structured: three are independent experts, one represents the SCFMS, and one represents the Central Bank. Of the remaining four, two represent listed companies and two represent brokerage firms. The representation is therefore balanced and well-regulated.

After 14 years of crisis, what are the prospects for market development?

The upcoming phase represents an opportunity for repositioning, particularly given the growing need to diversify financing sources and gradually transition from exclusive reliance on bank financing to market-based instruments. We see significant opportunities in expanding the base of listed companies, developing new financial instruments, and fostering institutional investment.

Is there cooperation with government entities and the private sector to revitalize the market?

Yes, coordination has begun with relevant government bodies, alongside meetings with private sector representatives. These discussions make it clear that listing and incentivizing new companies requires an integrated environment encompassing legislation, taxation, and investment incentives—all of which we are addressing within a holistic framework.

Are there any listing applications currently under review?

There is ongoing communication with several local companies. Regarding Arab or foreign firms, interest exists, but the decision is tied to factors beyond the market itself, including the broader economic environment, the investment and legislative framework, tax laws, and the development of the banking system to ensure secure channels for the transfer of investor funds.

Why are there no active investment funds yet?

Activating investment funds requires a sufficient institutional demand base to ensure success and sustainability. The regulatory structure is in place; however, the optimal timing is being evaluated in coordination with the Commission. The launch must be based on a functional study of supply and demand dynamics, rather than a purely formal step.

How prepared is the market for the trading of Islamic Sukuk?

Technically, the market is capable of absorbing new financial instruments, including Islamic Sukuk. Work is underway to prepare the regulatory frameworks in coordination with specialized authorities to ensure compliance with Sharia and regulatory standards—particularly in light of Resolution 205, which allows Islamic banks to issue Sukuk but requires executive instructions to enable their trading on the exchange. Introducing such instruments will help diversify the investor base and deepen the market.

Is there interest from Arab and foreign investors?

Interest is present. The scale of participation, however, is linked to broader economic and geopolitical factors. We are working to enhance transparency, simplify procedures, and secure banking channels to facilitate investor entry, while maintaining compliance and supervisory requirements.

Does the market face difficulties regarding its technological infrastructure?

Yes. The challenges include the need to upgrade aging technical infrastructure amid a contraction in revenue channels that cover development costs. We are seeking to modernize systems and enhance the efficiency of electronic platforms to meet contemporary trading requirements and improve access to information. We have begun assessing the current situation to estimate the gap and work toward closing it within an acceptable timeframe, subject to available resources.

The Supervisory Role of the Exchange

Is there a regulatory overlap between the Exchange and the Commission (SCFMS)?

The relationship is complementary rather than overlapping. The Exchange manages the trading platform and oversees technical and operational compliance, while the SCFMS exercises the higher regulatory and supervisory role. Ongoing coordination helps avoid any duplication of requirements.

What measures are taken against companies that fail to comply with disclosure requirements?

Commitment to disclosure is a fundamental pillar of investor trust. In cases of non-compliance, measures are taken in accordance with applicable regulations and may include warnings, fines, or the suspension of trading. These measures are published to uphold transparency.

What is the Exchange's role in combating money laundering?

This is a priority for the Exchange in the coming phase. Without it, we will be unable to integrate with other markets or attract new investors.

Who holds the authority to freeze securities?

The authority to freeze securities is governed by applicable laws and is exercised pursuant to judicial rulings or requests from legally authorized entities. We also screen names against approved lists, with brokerage firms and the Exchange implementing these actions through clear and defined mechanisms.

Strategic Vision

Is there a strategic plan to attract capital?

We are working to enhance the market's role as a financing tool for the national economy by developing financial instruments, expanding the listing base, and strengthening the confidence of both local and foreign investors. Our strategy focuses on building a deeper and more sustainable market rather than pursuing temporary or superficial growth.

Is there a move toward regional and international integration?

Communication and the exchange of expertise have begun, albeit cautiously, with one market. We aim to gradually integrate into the regional system when appropriate conditions are met, in a manner that serves the national economy and maintains financial stability.

What are your expectations for the next three years?

We anticipate gradual growth in the number of listed companies and in trading volumes as the business environment improves. Our focus will remain on stability, sustainability, and deepening the market rather than pursuing short-term spikes.

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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