

Syria in Figures

Making Sense of Syria's Economy

Syria's Gas Sector: Recovery Under Pressure

Most natural gas reserves lie in government-held territory, while the largest processing plant remains under SDF control. Production is rising slowly, but what is hindering a strong recovery?

Despite Assad's Downfall, Less Than 10% of Refugees Have Returned

Assad's downfall has sparked a spike in refugees' intentions to return, but very few have actually returned. The reasons for staying abroad differ widely by host country.

New Banknotes for a New Syria: Rebuilding Trust and Restoring Faith in the Pound

As the pound's value has plummeted over the past decade, issuing higher-denomination notes will restore trust and strengthen Central Bank control—if rolled out carefully and credibly.

Rethinking Subsidies in the Post-Assad Era

The Interim Government has accelerated the dismantling of the subsidy edifice. But amid economic constraints and rising prices of basic goods, concerns persist over the authorities' socioeconomic vision.

External Contribution: Startup Syria

Syria's Startup Ecosystem: From Survival to Rebuilding
A nascent startup scene is emerging strongly, fueled by youth and diaspora energy. However, a resilient ecosystem needs

Interview: Jean-Baptiste Faivre, Chargé d'affaires at the French Embassy in Syria

France affirms its support for Syria's transition, outlining renewed diplomatic ties, reconstruction efforts, and a commitment to inclusive recovery.

Syria's Gas Sector: Recovery Under Pressure

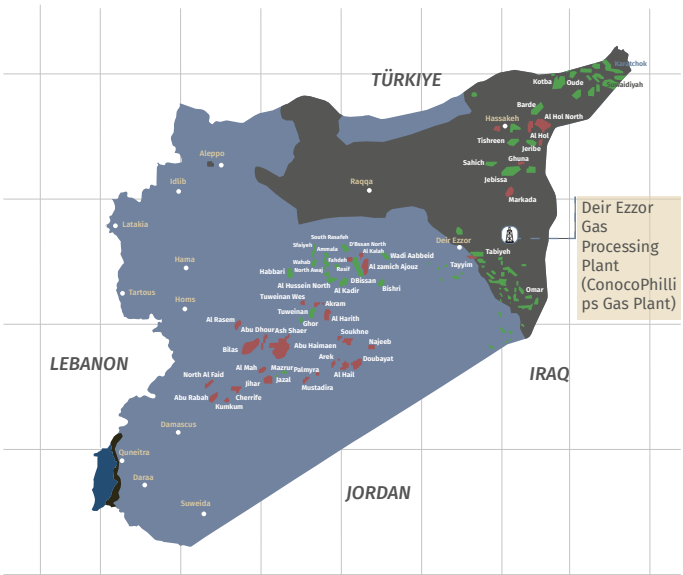
Syria's gas sector—once central to electricity supply—has suffered over a decade of conflict-driven decline. As of mid-2025, output [remains](#) well below pre-war levels. Infrastructure is destroyed, and foreign investment depends on fragile [political and legal](#) arrangements. Still, modest recovery efforts are underway, with [regional gas deals](#) and [targeted repairs](#) providing relief.

Reserves

The country reportedly [holds](#) an estimated 240 billion cubic meters (cm) of natural gas reserves, mostly in areas controlled by the Damascus government (see the map below). This is in contrast to [oil reserves](#), which are primarily located in control areas of the Syrian Democratic Forces (SDF).

The main onshore fields, including al-Shaer, Hayyan, Tuwienan, Maher, Jazal, and Furqlus, are located in the desert east of Homs. Smaller associated fields, such as Omar and Jafra, are in Deir Ezzor. The Conoco gas plant—the largest in the country—is [located](#) in SDF-held territory east of the Euphrates. With a [processing capacity](#) of up to 13 million cm per day (cmd), it is a chokepoint for the entire sector.

Map of Hydrocarbon Fields in Syria



- Gas Fields ■ Oil Fields
- Syrian Interim Government ■ Golan Heights
- Syrian Democratic Forces (SDF) ■ Areas Recently Occupied by Israel

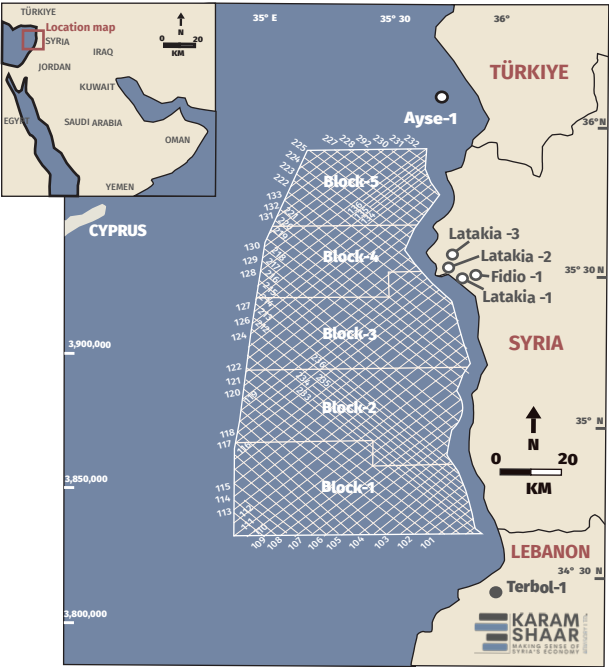
Source: *Petroleum Systems in Syria* (2014), by Eric Barrier, Louai Machhour, Marc Blaizot, *ResearchGate* (2014) (oil and gas fields); *LiveUAMap* (areas of control). Data compiled and designed by Karam Shaar Advisory Ltd.

Most of the major fields were [awarded](#) to international companies prior to 2011 as [joint operation companies](#) with the former Assad government. For example, Suncor Energy (which merged with Petro-Canada in 2009, retaining it as a subsidiary and retail brand) operated the Ebla Gas Plant, [extracting](#) gas from the al-Shaer and Sherife fields near Palmyra. INA Naftaplin ran the Jihar Gas Plant, [extracting](#) gas from the Jihar and al-Mahr gas fields further east. Following the outbreak of conflict, both companies [declared](#) force majeure and suspended operations.

As of July 2025, the status of these gas contracts remains unclear, as explained in the February 2025 [issue](#) of *Syria in Figures*. The Interim Government has since issued [various calls](#) for international companies to return and even [met with representatives](#) of Gulf sands Petroleum in Damascus to discuss possible re-engagement.

In recent years, attention has also turned to offshore potential. While no verified figures are available, former oil and mineral resources minister Ali Ghanem [claimed](#) reserves could reach 250 billion cm. Broader estimates for the [Levant Basin](#)—which includes Lebanon, Palestine, Cyprus, and Israel—stand at around 3.47 trillion cm, though the size of Syria's share is unknown. Seismic surveys have [hinted](#) at “encouraging results” off the coast, but thus far drilling in Lebanon’s offshore sites has not led to the discovery of oil.

Offshore Blocks



Source: CGG Veritas, via *Regional Seismic Interpretation of the Hydrocarbon Prospectivity of Offshore Syria*, by Steven A. Bowman, *GeoArabia* (2011); *Offshore Block 1 Petroleum Contract between the Syrian Government, GPC and Kapital LLC*.

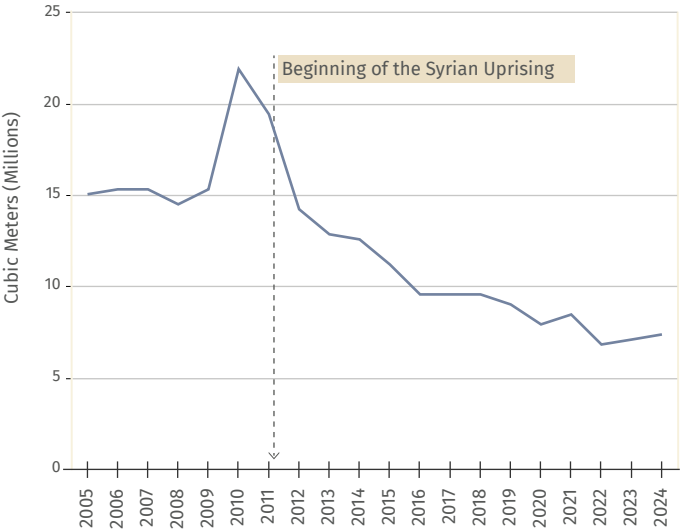
Two offshore blocks were [granted](#) to Russian firms during the conflict. Block 2 went to [Soyuzneftegaz](#) in 2013 (though they [gave up on it in 2015](#) because of the continuing conflict), and Block 1 to [Kapital LLC](#) in 2022. At the time of the Assad regime’s collapse, it was unclear whether any exploration or commercial activity had commenced. There is still no evidence that any work took place. The current status of both agreements remains uncertain.

Production and usage

Natural gas production fell from over 21.9 million cmd in [2010](#) to approximately 7.4 million cmd by [2024](#), according to the Energy Institute’s [Statistical Review of World Energy](#). As of January 2025, the caretaker Minister of Oil and Mineral Resources [reported](#) production in government-held areas at 8 million cmd, with an additional 1.1 million cmd extracted by the SDF. However, this output has since been halted—and it remains unclear whether production has resumed.

This decline has significantly affected both the country and its population, as natural gas is primarily used for two essential purposes: electricity generation, and domestic and industrial consumption.

Daily Natural Gas Production

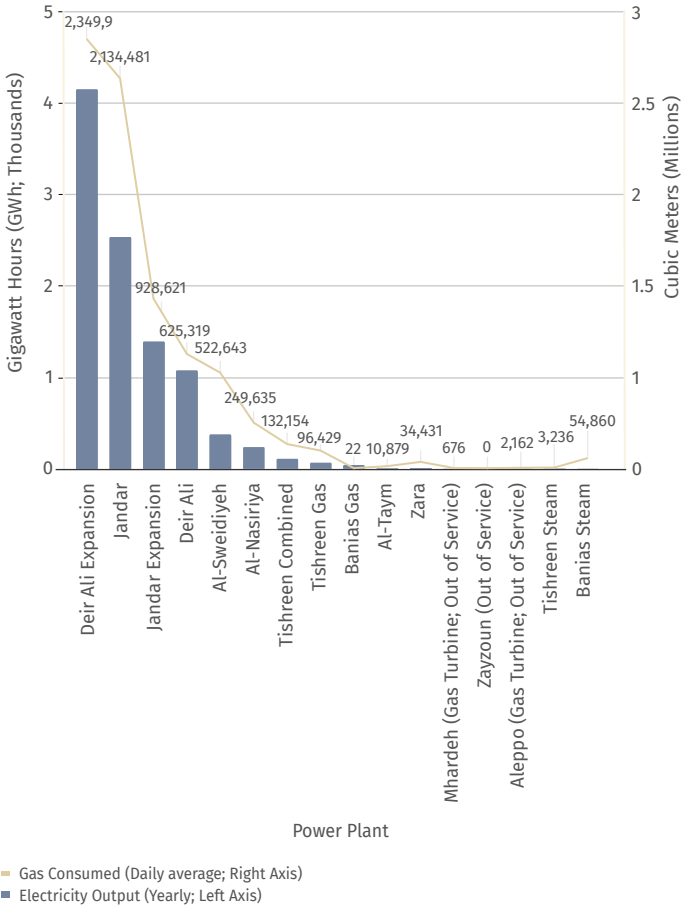


Source: BP Statistical Review of World Energy (2010-2022); Energy Institute Statistical Review of World Energy (2023). Data compiled by Karam Shaar Advisory Ltd.

In terms of electricity, Syrian officials estimate that 23 million cmd are needed to [meet national demand](#); this figure is roughly three times current production. Due to gas shortages, gas-fired power generation fell to just 10,022 GWh in 2023, compared to a potential 41,656 GWh based on existing capacity, according to official and unpublished data accessed by Karam Shaar Advisory Ltd. For more on installed capacity, see our [earlier Syria in Figures](#) article.

Other sources—primarily fuel oil and hydro—contributed an additional 8,262 GWh in 2023. Even so, electricity supply remains far below needs. The national grid faced a 25,409 GWh shortfall relative to the estimated demand of 43,693 GWh, according to the unpublished Public Establishment for Transmission and Distribution of Electricity’s (PETDE) 2023 annual report accessed by Karam Shaar Advisory Ltd.

Power Plant Electricity Output and Gas Consumption in 2023



Source: Public Establishment for Transmission and Distribution of Electricity (unpublished). Calculations and data compiled by Karam Shaar Advisory Ltd.

Domestically, gas is used for cooking and heating. As of early July 2025, these remained heavily subsidized via the Smart Card system and sold at USD 2 per canister (see our article on subsidies below). In practice, however, conflict has [reduced](#) availability, resulting in [shortages](#) of subsidized gas. Cooking gas has been more accessible on the black market, but often at [ten times](#) the official price.

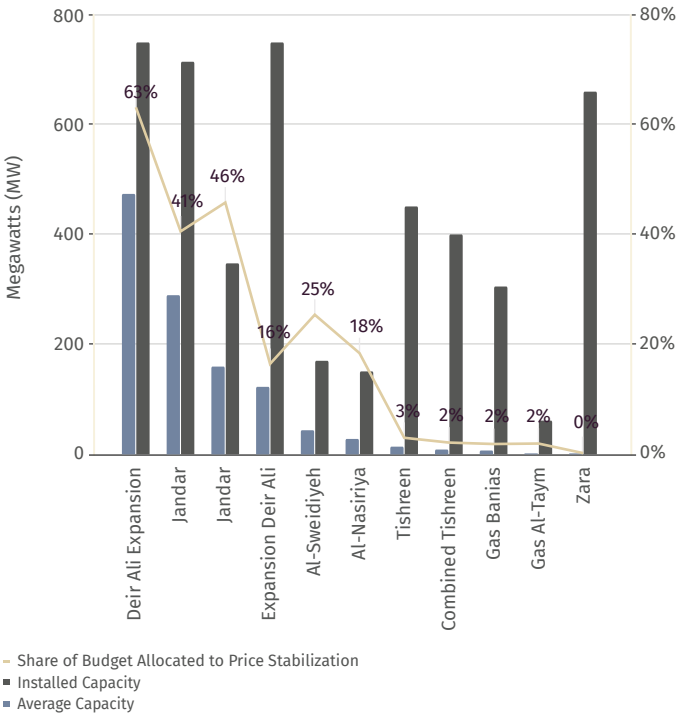
In 2019, local production [covered](#) only 35 percent of daily canister demand—roughly 400 tonnes out of the 1,200 tonnes required. Since then, no reliable data on gas usage or production has been published. Still, persistent shortages and rising prices indicate that the supply gap remains severe.

Securing gas supplies

Following the collapse of the Assad regime, several international actors have stepped in to help address the country's gas deficit, including supplies of cooking gas. Jordan [provided](#) 5,000 tonnes of liquefied petroleum gas (LPG) in January 2025, primarily for household and industrial use. Based on 2019 consumption figures mentioned above—now likely outdated—this shipment would have covered just over four days of national demand.

Qatar and Türkiye have also moved to support the energy sector by supplying natural gas for power generation (see [Syria in Figures, Issue 9: June 2025](#)). Meanwhile, Azerbaijan has also taken a concrete step: in mid-June 2025, its state oil company SOCAR [signed](#) a memorandum of understanding with the Syrian government to supply natural gas. These deliveries may help alleviate the shortfall and partially restore electricity supply. Of the country's 4,755 MW in gas-fired generation capacity, only 1,144 MW was operational as of early 2025 (see chart below).

Capacity of Power Plants in 2023



Source: Public Establishment for Transmission and Distribution of Electricity (unpublished). Calculations and data compiled by Karam Shaar Advisory Ltd.

However, such stopgap measures are no substitute for a long-term solution.

One possible path forward lies in renewed cooperation between Damascus and the SDF. On 10 March 2025, the then-Caretaker Government and the SDF [signed](#) a landmark agreement to begin negotiations on joint management of oil and gas resources. If implemented, this could enable unified oversight, attract investment, and create the conditions for eventually restoring full utilization of the Conoco plant’s potential 13 million cmd processing capacity, fed by the Tabiyeh, Omar and Tayyim fields. Combined with the 8 million cmd already produced in government-held areas, this would reduce daily shortfall to just 3 million cmd.

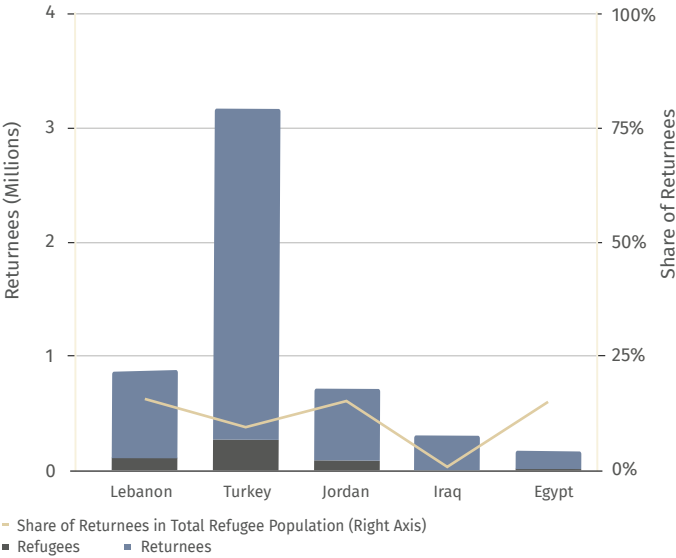
Despite Assad’s Downfall, Less Than 10% of Syrian Refugees Have Returned

More than six months after Assad’s fall, only a fraction of Syrian refugees have returned home. Most remain abroad, deterred by the continued lack of [housing](#), [basic services](#), [security](#), and [economic opportunities](#).

The war [displaced more than half](#) of the country’s prewar population of 22 million. By the end of 2024, an [estimated](#) 7.4 million Syrians were internally displaced, and [around](#) 6.1 million had taken refuge in more than 130 countries.

The UN Agency for Refugees (UNHCR) [estimated](#) in mid-June 2025 that approximately 577,266 Syrians living abroad had returned since December. This represents less than 10% of the refugee population abroad. Similarly, only about 17% of those displaced inside the country—[roughly 1.2 million people](#)—have returned as of May 2025.

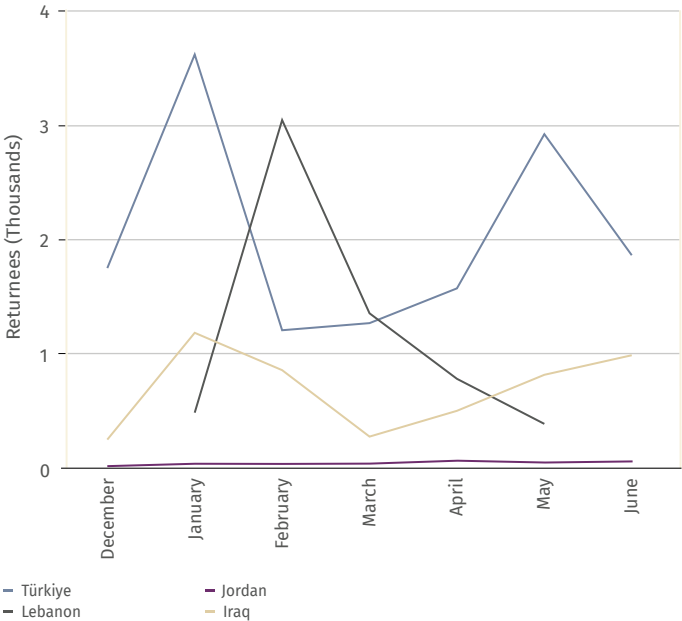
Return Rate of Syrian Refugees by Neighboring Country



Source: UNHCR (as of mid-June). Data compiled by Karam Shaar Advisory Ltd.

According to UNHCR data from September–November 2024, most refugees initially [fled](#) to neighboring countries: Türkiye (2.9 million registered refugees prior to the fall of the regime), Lebanon (0.8 million), Jordan (0.6 million), Iraq (0.3 million), and Egypt (0.1 million). An estimated one million [unregistered](#) refugees also reside in Türkiye. In Lebanon, the government estimates the total number of refugees in the country at [around](#) 1.5 million.

Syrian Returnees from Neighboring Country



Source: UNHCR (as of mid-June 2025). Data compiled by Karam Shaar Advisory Ltd.

The definition of “permanent return” varies slightly by host country, and many Syrians now re-enter the country temporarily. As a result, tracking and comparing return patterns is difficult. In Lebanon, UNHCR tracks returns through [de-registration](#) figures. Since December, nearly 120,000 have been deregistered. Many others have crossed the border temporarily to check on homes or visit family; these movements are not counted as returns in UNHCR statistics.

UNHCR Egypt [noted](#) in mid-June that over 22,200 refugees had requested closure of their case files since December 2024, signaling intent to return. The agency also [reported](#) that 16,400 refugees had “spontaneously departed,” though it is unclear whether they left permanently or temporarily.

In Jordan, returns are measured via crossings at the Jaber–Nassib border, UNHCR spokesperson Yousef Taha told Karam Shaar Advisory Ltd. The UN agency [estimates](#) 94,000 registered refugees have returned since December.

In Iraq, refugees must formally deregister with UNHCR before returning permanently. Just 2,160 individuals [had done so](#) between December and June—fewer than 1% of the total refugee population as of November 2024, according to the UNHCR spokesperson in Iraq, Lilly Carlisle.

In Türkiye, Syrians under temporary protection must apply for return; once approved, their Temporary Protection Identity Document is

canceled. Turkish authorities report over 273,000 voluntary returns since December, according to UNHCR spokesperson Selin Unal, interviewed for this publication.

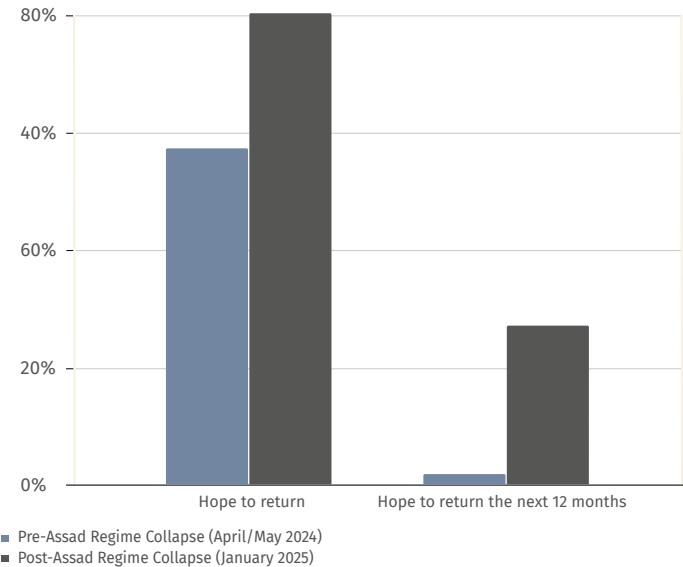
Barriers to return

A UNHCR flash survey conducted in January 2025 [found](#) that while 80% of refugees in the region hoped to return, [only 27% planned](#) to do so within the next 12 months and 53% within five years. Still, this reflects a sharp increase compared to [similar surveys](#) conducted under the Assad regime—indicating that Assad himself was a major deterrent. In [April and May 2024](#), only 57% said they hoped to return to Syria, with just 1.7% planning to do so within a year and about 37% within five years.

Based on our calculations, if current return trends continue, roughly 21% of refugees could return by February 2026—nearly reaching the figure cited in the UNHCR report. Another [study](#), launched in February 2025 and published in June, also found that 21% of respondents said they could return within a year.

Intentions [vary significantly](#) by host country. In Jordan, Egypt, and Lebanon, 40%, 42%, and 24% of refugees, respectively, [said](#) they planned to return within a year—[up from](#) just 1% to 2% in the April–May 2024 survey. The most commonly [cited obstacle](#) was lack of housing due to destruction, damage, occupation, or disrepair. An estimated 328,000 homes were [destroyed](#) during the war, with many more rendered uninhabitable. International funding for reconstruction was limited under Assad, and rebuilding has [yet to begin](#) in earnest.

Intentions for Return to Syria



Source: UNHCR Regional Survey on Syrian Refugees' Perceptions and Intentions on Return to Syria.

While return intentions rose sharply in most countries, Iraq was an exception. Only 12% of refugees there [said](#) they planned to return within a year, up from less than 1% in [April 2024](#). Most Iraqi-based refugees are from northeastern Syria, where fighting between the Kurdish-led SDF and the Türkiye-backed Syrian National Army in January 2025 [displaced](#) around 100,000 people, mostly Kurds. Türkiye was not included in the list of surveyed countries.

Other studies [echo](#) these findings: insecurity, economic instability, and property loss remain the primary deterrents to return. Some surveys also point to increasing sectarian polarization. Sunni respondents [were more likely](#) to report improved security, while minorities generally expressed greater fear and distrust toward interim authorities.

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Another disincentive could be the loss of refugee status upon permanent return—particularly for those with jobs or families abroad. UNHCR Regional Spokesperson Tarik Argaz told Karam Shaar Advisory that refugees who approach UNHCR and express their intention to re-establish themselves permanently in Syria are thoroughly counselled that this re-establishment will lead to cessation of their refugee status. Their refugee record is closed once they voluntarily return.

UNHCR's regional clarification on this point is important, as many returns happen outside official channels. For those “spontaneously returning” (leaving unofficially), UNHCR does not close a refugee record until it is established that the refugee has remained outside the country of asylum for an extended period of time, and it is confirmed they have re-established themselves in Syria and found a “durable solution,” Argaz added.

To address this, Türkiye launched a “Go-and-See” program, allowing 27,000 to visit temporarily and return to Türkiye afterward, UNHCR spokesperson Selin Unal told Karam Shaar Advisory.

Other countries are also initiating return programs. In early June, Lebanon [finalized](#) a plan to repatriate 400,000, offering a USD 100 per-person incentive. As of late June, the program had not yet launched but was expected to “start shortly,” UNHCR communications assistant Theresa Fraiha confirmed.

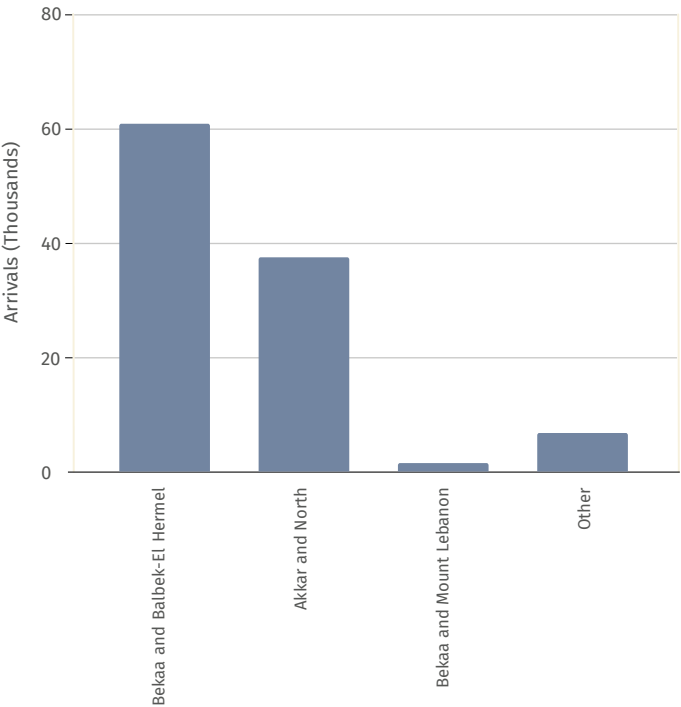
In neighboring Cyprus, which [hosts](#) a large number of refugees relative to its population, authorities are [offering](#) airline tickets to Jordan, bus fare to Syria, and over EUR 1,000 in cash per family under its [Assisted Voluntary Return Programme](#).

Yet these incentives carry limited weight against Syria’s economic conditions. In April, the World Food Programme (WFP) [estimated](#) that a family of five needed SYP 2,190,381 per month (about USD 200, based on the average black market exchange rate at the time) to meet basic needs. Rents are [soaring](#): as of February, a middle-class apartment in Damascus cost SYP 4 to 5 million per month (USD 400 to 500).

Moving in the opposite direction

Despite the overall trend toward return, thousands have left the country since Assad’s fall. Lebanon [has received](#) the largest share, with 106,754 entering since December. According to UNHCR, around 37,450 [were fleeing](#) the sectarian violence erupting in early March in coastal areas, Hama, and Homs. Among these new arrivals, only half were considering returning in the foreseeable future, and none reported feeling that return was safe.

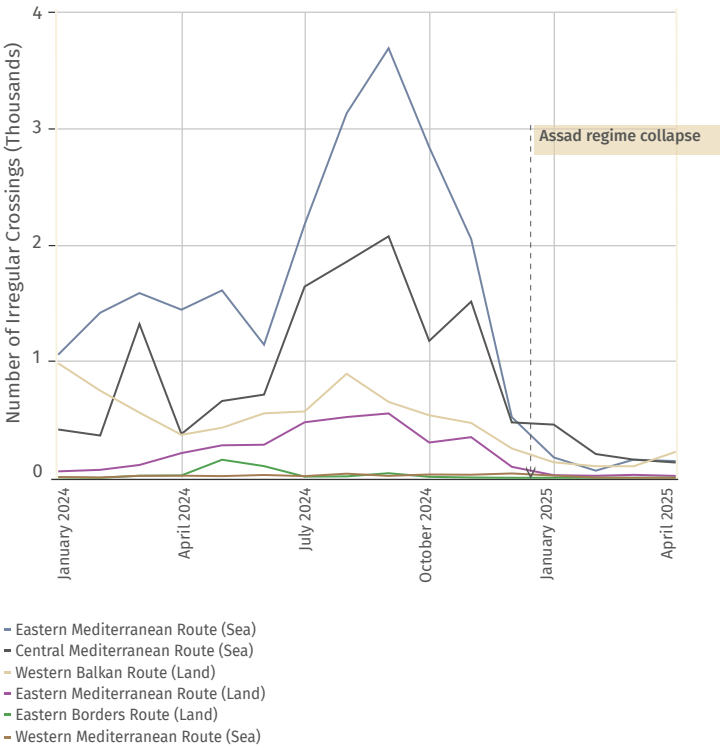
Syrian Refugee Arrivals in Lebanon Post-Regime Fall



Source: UNHCR (as of mid-June 2025). Data compiled by Karam Shaar Advisory Ltd.

In Iraq, 1,236 refugees and asylum seekers arrived between January and June 2025—a 50% drop from 2024, UNHCR-Iraq spokesperson Lilly Carlisle told Karam Shaar Advisory. Cyprus received [369 new arrivals](#) over the same period. Although overall numbers have declined, hundreds are still attempting the dangerous sea journey to Europe—many driven by worsening conditions in host countries and with no plans to return home.

Irregular Crossings by Syrians into the European Union



Source: Frontex. Data compiled by Karam Shaar Advisory Ltd.

New Banknotes for a New Syria: Rebuilding Trust and Restoring Faith in the Pound

In the previous issue of *Syria in Figures*, we discussed [redenomination as a potential economic policy tool](#) that authorities could adopt to facilitate transactions, rebuild trust, and enhance monetary sovereignty. However, redenomination is a highly technical process. In the short to medium term, it would likely be [costly and complex](#), requiring legislative changes, comprehensive recalibration of accounting systems, and a range of logistical steps.

As an alternative, issuing a new series of Syrian pound (SYP) notes could achieve some of the same objectives at far lower financial and operational cost, since it would not require immediate currency replacement or major changes to accounting systems. In fact, this step appears long overdue: adjusted for devaluation against the US dollar, the SYP 10,000 and SYP 20,000 notes should have been [introduced](#) in 2020 and 2023, respectively.

The Need for A New Series

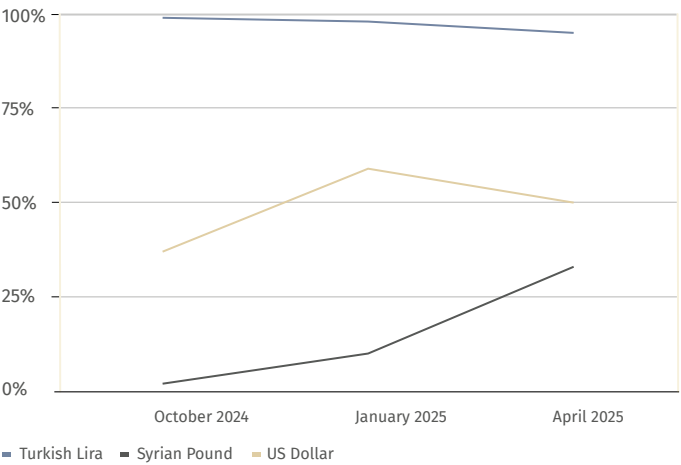
The psychological impact of introducing a new series would be significant. As we noted in our [previous issue](#), removing the portraits of Bashar and Hafez al-Assad from banknotes would send a strong political message of transition. Other post-authoritarian or post-conflict states—including [Libya](#) after Gaddafi, Iraq after Saddam Hussein, or [South Africa](#) after apartheid—took similar steps. In each case, currency redesign without redenomination helped signal the beginning of a new national identity.

Politically, a new series could serve as a soft reset, marking the normalization of macroeconomic conditions and the launch of broader reforms. A reset through new higher-denomination notes, rather than a full overhaul, could also help restore acceptance of the SYP in areas where it had been abandoned. This would support monetary unification across the country.

For years, [northwest Syria](#) has relied on the Turkish lira. While the SYP's use has [increased](#) in these areas since the Assad regime's collapse (see chart below), monetary fragmentation remains a major challenge—especially in a region [home](#) to roughly a quarter of the country's population. This fragmentation limits the Central Bank of Syria's (CBS) ability to implement monetary policy ([see Lebanon's struggle with dollarization and monetary policy](#)).

Higher-denomination notes would also ease storage and transport burdens, making the SYP more practical for everyday use and more attractive for re-adoption.

Currency Acceptance Rate in Northwest Syria



Source: REACH Initiative.

After a decade of inflation, the highest current denomination (SYP 5,000, worth about USD 0.48) is no longer sufficient. Introducing SYP 10,000, 20,000, or even 50,000 notes would simplify cash transactions, reduce printing and handling costs, and improve efficiency in a cash-based economy.

Table: Most Common Banknotes in Circulation				
Banknote	Face Value (SYP)	USD Value in March 2011	USD Value in July 2025	Model (Front face)
"New" 500 Note	500	10.6	0.048	
"New" 1,000	1,000	21.2	0.096	
2,000 Note	2,000	42.4	0.192	
5,000 Note	5,000	106.4	0.481	

Source: Exchange rate as on Karam Shaar Advisory Ltd. [Black Market Tracker](#) (24 June 2025). Banknotes weighted and data compiled by Karam Shaar Advisory Ltd.

More importantly, a new series would help the CBS to reassert control over the money supply. As [noted](#) in our previous issue, speculation [surged](#) after the regime's collapse. Whether these fluctuations reflect market forces or speculative activity remains unclear. Withdrawing old notes would give the CBS tools to monitor large cash holdings, demand justification for high-value exchanges, and block funds lacking a verifiable origin.

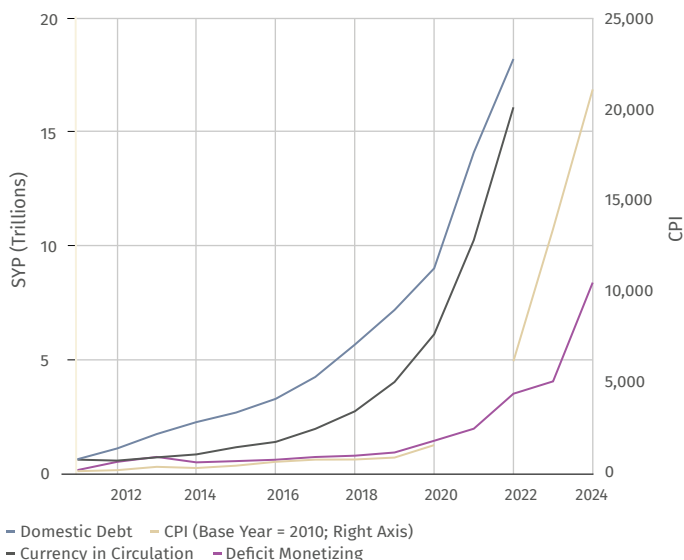
Examples from [Trinidad and Tobago](#) and [Kenya](#) (2019) show how such efforts can succeed. Those unable to justify the source of their funds—such as smugglers or speculators—may be excluded from conversion or rejected by banks. But unless strict enforcement mechanisms are in place, the outcome may mirror [India's](#) failed [2016 effort](#).

What Stands in the Way

There are clear limitations to issuing a new series of banknotes; most notably, the financial burden of implementation.

According to official data accessed in mid-2024 by Karam Shaar Advisory Ltd., cash in circulation—the physical money requiring replacement—stood at SYP 16.08 trillion in 2022. Printing such a volume of currency would likely cost hundreds of millions of dollars. For reference, printing USD banknotes [ranges](#) from 5.4 to 19.4 cents (1 cent is 1/100 of USD 1) per note depending on denomination. However, introducing higher-denomination bills such as SYP 10,000, 20,000, or even 50,000 would partially replace smaller notes, significantly reducing the total number of bills needed and therefore the overall cost. In effect, higher-denomination notes could be 5 to 25 times more cost-effective to produce than their lower-value counterparts.

Currency in Circulation, Deficit Monetizing, Domestic Debt, and CPI



Source: Central Bureau of Statistics, Central Bank of Syria, Syrian State Budget accessed via the Official Gazette, bilateral communications with the Government of Syria. Calculations and data compiled by Karam Shaar Advisory Ltd.

Note: CPI data for 2021 has not been published.

Still, capitalizing on this opportunity will likely require external support. As part of a broader economic aid package, donor governments could help finance the technical costs of printing and distributing a new series.

The risks extend beyond cost. In a low-trust, post-conflict environment, unclear communication could trigger public panic, spark devaluation rumors, or fuel hoarding and speculative runs. The CBS has already faced [waves of rumor-driven volatility](#) amid a [highly reactive](#) black market. Speculators could exploit gaps between old and new notes or parallel markets, and continued circulation of old notes could weaken the reform's credibility. Without a clear and well-managed rollout, confusion and cash shortages are likely—similar to [Nigeria's](#) experience in 2022.

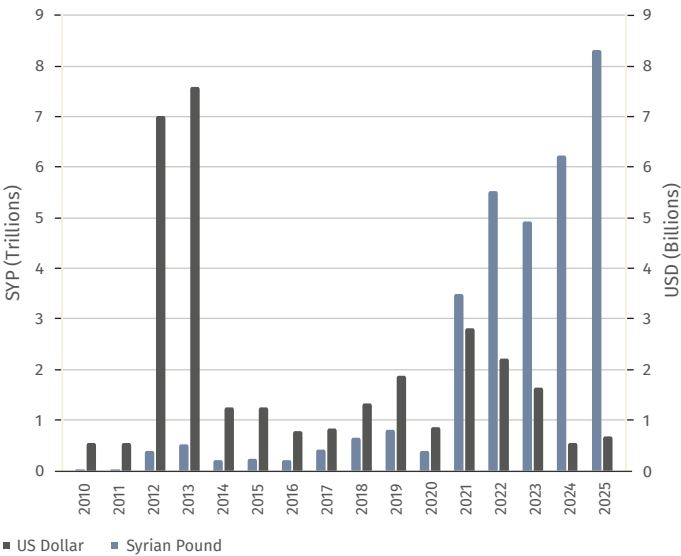
Ultimately, success will hinge on competent and transparent implementation. In an economy where [informal](#) activity dominates and many rely on [undocumented](#) cash savings, clearly defined procedures and legal safeguards will be essential. Strong public messaging, consistent enforcement, and protections against arbitrary treatment will be critical to building public confidence.

Rethinking Subsidies in the Post-Assad Era

For decades, Syria's subsidy system functioned as a [key instrument](#) to support the poor and improve development indicators. While the government began [scaling back subsidies](#) as early as 2007, citing inefficiency and corruption, this shift had unintended consequences. In particular, the [easing](#) of fuel subsidies—and its impact on agricultural inputs—was [viewed](#) by some analysts as a contributing factor to the unrest in 2011.

As the conflict escalated, [growing pressure](#) on state finances forced further real (inflation-adjusted) reductions in on- and off-budget subsidies. The government implemented subsidies by lowering the prices of goods and services provided by state-owned enterprises, especially in sectors such as [electricity](#). It also imposed [price controls](#) on essential consumer goods sold by the private sector, [allowing](#) only set profit margins.

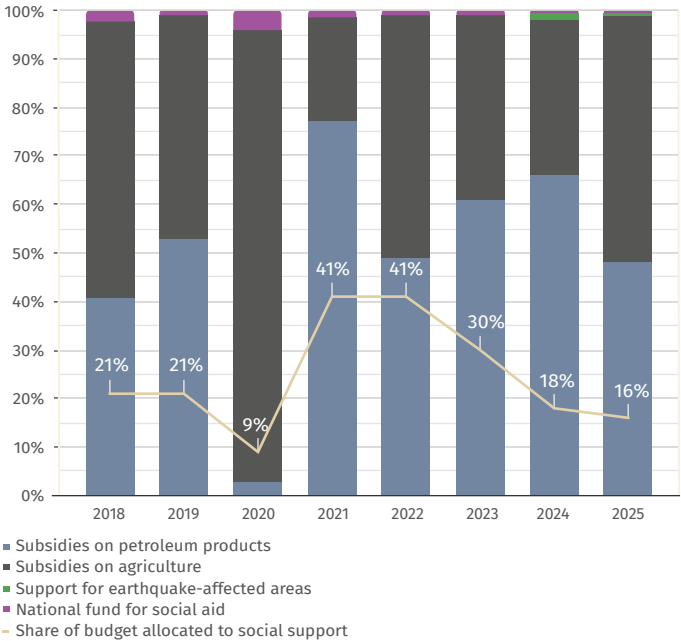
Budgeted State Contribution to Price Stabilization (Social Support)



Source: State Budget, accessed through the Official Gazette. Exchange Rate from Media Articles. Data compiled by Karam Shaar Advisory Ltd.

Since the beginning of the conflict, the [subsidy system](#) has at times consumed up to 40% of government spending. As the war progressed, economic collapse rendered this model [unsustainable](#). In response, authorities introduced [subsidy cuts](#) and a shift toward [coupon cards](#) to better target recipients—while also initiating discussions about moving to [cash transfers](#). However, these reforms were [poorly communicated](#), excluded many eligible beneficiaries, created opportunities for corruption, and remained only partially implemented.

State Contribution to Price Stabilization



Source: Media articles collected by Karam Shaar Advisory Ltd.

To Lift or Not to Lift Subsidies?

As of 8 December 2024, only bread, fuel, public transport, housing gas, and electricity continued to receive subsidies. After the Assad regime’s sudden collapse, the [remaining elements](#) of the subsidy system began to be dismantled.

After transitional authorities [removed](#) the bread subsidy earlier this year, the [World Food Programme \(WFP\)](#) launched a targeted initiative to subsidize bread at cost price in coordination with the government. The program, still ongoing, [covers](#) five governorates—Daraa, Tartous, Aleppo, Hama, and Homs—identified as among the most vulnerable. It [aims](#) to reach around 2 million people with 40,000 tonnes of flour through the end of 2025. In areas not yet included, such as Damascus, households continue to buy bread at market prices, which [rose](#) to ten times the previous subsidized rate. [Expansion](#) of the initiative is under consideration.

In January 2025, the caretaker Ministry of Transport [declared](#) that fuel subsidies for public transportation would be eliminated, and a [study was reportedly underway](#) to determine new fare structures. The [full liberalization](#) of diesel and gasoline prices followed in March, affecting public transport nationwide. Despite sharp increases in transport fees, a [notable improvement](#) was observed in service availability, which had previously been [constrained](#) by the combined effects of fuel shortages and price controls.

By July 2025, most petrol and diesel subsidies for [Smart Card](#) holders have [been lifted](#). In 2024, fuel subsidies—including cooking gas—accounted for two-thirds of the total amount allocated to the State Contribution to Price Stabilization, according to [budget figures](#). In the first week of July 2025, a liter of gasoline (Octane 95) was sold at [USD 1.11](#), compared to [USD 0.89](#) in neighboring Lebanon, which also does not subsidize petroleum derivatives. Gasoil—a common regional term for diesel fuel—was sold in Syria for USD [0.96](#) per liter, compared to USD [0.86](#) in Lebanon.

The slight difference between the neighboring countries can be attributed to the ongoing disruption and fragmentation of supply chains to Syria, in part due to the absence of shipments from [Iran](#) following Assad's downfall.

In July 2025, the Syrian Company for the Storage and Distribution of Petroleum Products (Mahroukat) also [announced](#) the end of subsidies for cooking gas, once among the most heavily subsidized household commodities. From the collapse of the regime until the announcement in [early July 2025](#), the subsidized supply faced disruptions but remained in place under a limited scheme. During this time, the price of canisters sold via the Smart Card stood at [about USD 2](#) but is now expected to rise to USD 11.80, as set by the exclusive supplier, [Mahroukat](#).

Although not listed in the state budget due to its inter-departmental supply chain, electricity is now the government's [main subsidy expense](#)—even though the state [provides](#) only a few hours of electricity per day. There too, the Minister of Electricity [announced](#) in January 2025 that subsidies would be gradually reduced or potentially eliminated. He [acknowledged](#) that current electricity prices are “far below actual costs.” The phasing out of subsidies in this sector has been [under discussion](#) since the final years of the Assad regime, particularly as reconstruction advanced and price adjustments became [more frequent](#).

While continuing broad-based subsidies like electricity without predictable funding is both wasteful and unsustainable, abrupt removal without providing alternatives to vulnerable populations could spark social unrest. To offset recent cuts, the government enacted a modest [200% increase](#) in public sector salaries in June.

More broadly, the subsidy system requires urgent reform to become better targeted, more efficient, and less vulnerable to corruption—especially given limited state resources. In most developed countries, this has meant moving away from non-targeted price subsidies, especially in sectors like electricity, and toward direct cash transfers.

Part of the solution lies with the Interim Government, which has so far favored highly liberal economic policies but provided little detail on its social welfare plans. Removing subsidies without a functioning cash transfer system should not be an option. Doing so risks triggering unrest and deepening poverty. As such systems typically take years to establish due to their inter-agency nature, any easing of subsidies must be gradual and, wherever possible, coordinated with relief organizations.

External Contribution: Syria's Startup Ecosystem: From Survival to Rebuilding



Startup Syria

Syria's startup landscape has changed in the past six months in ways unthinkable for over a decade. The fall of the Assad regime—long known for stifling businesses and suppressing startup growth—has unleashed a wave of ideas and

entrepreneurial activity across the country. Startup activity in this short period has already surpassed the total volume of the previous five years, with a 150% increase in newly created ventures compared to the year before, according to figures by Startup Syria. It marks a historic moment for the small business sector.

Even amid years of crisis, Syrians have relied on entrepreneurship as a means of survival. Today, over 80% of people [view entrepreneurship](#) as “extremely important,” up from just 26% in 2015. From agritech to e-health and financial services, the entrepreneurial scene has burst into life with a stream of ambitious proposals aimed at addressing the country's many challenges.

Yet so far, these ambitions remain largely aspirational. Turning ideas into viable businesses requires a long journey—one that most founders are not yet equipped to undertake, and one that the ecosystem is not ready to support.

As Syrian businesses begin shaping their post-conflict trajectories, national recovery priorities and the foundational needs of a startup ecosystem will inevitably overlap. When we hosted [Hack for Syria](#), a hack-a-thon drawing over 5,000 Syrians, the majority of ideas focused on rebuilding core systems: infrastructure and public services (27.6%), education and skills development (26.9%), and economic development and employment (21.5%). Together, these accounted for more than 75% of participants' focus.

Syria's startup ecosystem is still in its infancy

Today, over half of startups are at the [pre-seed stage](#), still seeking investment to turn concepts into viable businesses. At the same time, efforts to create a fully functioning ecosystem remain scattered.

Conferences, hack-a-thons, and regular gatherings have helped entrepreneurs exchange ideas and take practical steps to foster innovation. However, without coordination, these efforts have struggled to translate into a balanced national ecosystem. Despite emerging signs of innovation in several provinces, over 70% of startup activity remains concentrated in Damascus, which highlights the need for a more inclusive, decentralized approach, according to figures by [Startup Syria](#).

To support that transformation, the startup ecosystem must rest on a solid foundation, drawing from [successful post-conflict recoveries](#) elsewhere. While [legal reforms and policy changes](#) will be essential to ignite the startup economy, they are not enough. A broader mindset shift is also needed—one that embraces collaboration over isolation, and innovation over repetitive models that lack relevance to local needs.

Syria's exit from inward-looking, fragmented markets toward regional and global integration will strongly shape its recovery and capacity for innovation. But this shift cannot be top-down alone. It must begin at the grassroots level for real, sustainable change to take hold.

Long-term investments instead of short-term aid

As in many parts of the world, most Syrian startups still [rely on bootstrapping](#) (starting a business with little or no external funding) to get off the ground. The ecosystem has largely been shaped by UN agencies and NGOs that provide income opportunities for vulnerable communities. According to Startup Syria's recent mapping (unpublished)—conducted with founders and community leaders—95% of organizations supporting startups are non-governmental.

Despite some progress, the mapping highlights major funding gaps. Development finance institutions, venture capital, private equity, and angel investors (early private funders, typically compensated with a share in the company) are nearly absent. Early-stage support—mentorship, events, and talent programs—is relatively abundant, but the imbalance makes it difficult for startups to grow beyond the idea phase.

Early-stage support—mentorship, events, and talent programs—is relatively abundant, but the imbalance makes it difficult for startups to grow beyond the idea phase.

For the ecosystem to mature, Syria must move past short-term, aid-driven models. Without follow-up support or investment pathways, many entrepreneurs stall after initial assistance ends. Promising ideas remain stuck, and founders risk becoming dependent on aid rather than building market-ready ventures.

Conflict, corruption, and sanctions long discouraged investors. But some are now taking note of the country's shift and efforts to restore international ties.

Interest has begun to emerge, mainly from overseas, in funding startups working in Syria. A new USD 15 million fund, [Invest in Syria](#), was launched to support small and medium enterprises (SMEs) inside the country. New syndicate funds—such as [Ebla Ventures](#) and [Ghaith Ventures](#)—have also been announced by members of the Syrian diaspora in Gulf Cooperation Council (GCC) countries.

Investors, donors, and state-backed funds looking to play a long-term role in the country's recovery can see innovative entrepreneurship as

a strategic entry point. The enabling environment is still emerging, but [recent government announcements](#) signal openness to capital and collaboration.

Some sectors are [ripe for that opportunity](#). Agrifood, education, transportation, healthcare, and e-commerce and fintech (financial technology) all face gaps in solutions. [Several countries](#) emerging from conflict have successfully used business reforms to energize these areas—but only when socio-political, economic, and legal conditions align within a unified institutional approach to combat unemployment and promote non-traditional venture models.

Local and diaspora founders can thrive together

Syria's startup ecosystem, though still fragile, is no longer invisible. A [young](#), digitally fluent generation is stepping up to reimagine the country's future, and the diaspora is poised to play a critical role in accelerating this shift. The talent Syria lost to displacement is now an asset—many are eager to return, bringing global experience and networks. Paired with the resilience of those who stayed, this collaboration offers the best of both worlds.

To scale this momentum, founders need more than ambition. They need policy that enables risk-taking, access to capital and mentorship, collaborative spaces, and formal recognition. Strategic investment in infrastructure, legal reform, and skills development is essential.

Syria's entrepreneurial future will not be built in isolation. It will be forged through connected, bold partnerships between local and diaspora entrepreneurs—linking global insight with local grit. This isn't charity or soft power. It's smart, forward-looking investment. And the time to build is now.

Interview: Jean-Baptiste Faivre, Chargé d'affaires at the French Embassy in Syria



Given France's long-standing historical ties with Syria and the current post-conflict phase, what long-term role does Paris envision for itself in Syria?

As you rightly note, France today stands as a longstanding friend of Syria, one that has supported the Syrian people throughout the 14 years of revolution. Syria now has a historic opportunity to rebuild and open a new chapter in its history. The challenges are immense—security-related, economic, and political—which is natural after such profound upheaval. There is anxiety, but also a great deal of hope.

France's objective is to support Syria in successfully navigating this transition—a transition that reflects the aspirations of its people. We intend to accompany Syria in this pivotal moment, working closely with our European, American, and regional partners.

What types of support has France provided to Syria since the fall of the Assad regime? Could you summarize the ongoing initiatives?

Following the fall of the regime, France's engagement has aligned with the priorities of the moment:

First and foremost, a political commitment to support a transition that upholds freedoms and core principles, is inclusive, and respects all components of Syrian society. It was a clear choice to assist a country that has endured so much to finally enter an era of peace, justice, stability, and prosperity.

This has been reflected in the visit of the French Minister for Europe and Foreign Affairs to Damascus in January 2025, the Paris International Conference on Syria in February 2025, the visit of President Ahmad al-Sharaa to France in May 2025 at the invitation of the French president, and finally, the return of the French Embassy to Syria.

Secondly, a commitment to lifting sanctions. [French president Emmanuel Macron] has clearly spoken in favor of this, followed by decisions taken by the European Union and then by the United States shortly thereafter—developments we welcomed warmly.

Thirdly, ongoing concrete support for the Syrian people, who continue to face extreme hardship, with an estimated 90% living below the poverty line. Our support is delivered through the funding of humanitarian and stabilization projects across the country—especially in health, socio-economic recovery, agriculture, and education.

Our aim now is to reinitiate bilateral or multilateral cooperation, as support to Syria must be framed within a collective approach. France

had ceased such cooperation with the former regime. Today, we must reengage, understand the priorities of the Syrian authorities, and begin implementing projects.

The areas requiring attention are many—security, economic recovery, infrastructure rebuilding, and, more broadly, strengthening state capacity to deliver essential services to its citizens. We are paying particular attention to transitional justice and the reinforcement of social cohesion—both of which are essential in the current transition. Education, health, heritage, and culture are also key priorities.

Is it fair to say that French aid to Syria has effectively decreased since Assad's ouster?

No, that is incorrect. Since 2018, France's commitment to the Syrian population has remained steady, with annual funding of €50 million—primarily channeled through NGOs and, to a lesser extent, the United Nations in Syria.

At the Paris Conference for Syria on 13 February, [President Macron] reaffirmed France's commitment to allocate at least €50 million for Syria in 2025.

How has France adapted its aid portfolio to the new political context? Is France still focused primarily on emergency humanitarian assistance, or has it begun shifting toward early recovery and reconstruction?

The key now is to adapt swiftly to the new context—maintaining an agile humanitarian response to address massive needs, while progressively engaging in more sustainable, long-term development efforts.

Agriculture and health have been identified as strategic sectors to support Syria's transition. For example, we are supporting field initiatives with various partners to improve access to healthcare for the most vulnerable populations. In 2025, the Ministry for Europe and Foreign Affairs is also funding a pilot vocational training project in the industrial sector in Damascus, Aleppo, and Homs, implemented by the NGO Syrian Forum.

De-mining—an essential prerequisite for any humanitarian or development activity—is also among France's priorities for 2025. France is further supporting the return of its development operators to Syria, to assist Syrians through an approach that connects short-term needs with long-term objectives. Emergency responses must be part of a broader, sustained development strategy spanning the entire country. This applies to infrastructure rebuilding, agricultural revitalization, natural resource management (notably water), and vocational training.

What challenges to the political transition are revealed by the recent events in As-Suwayda?

We are deeply concerned by the recent episodes of violence in the As-Suwayda region and strongly condemn the crimes committed.

France calls on the Syrian authorities to ensure the safety and rights of all communities, in accordance with the commitments made by President al-Sharaa.

In this regard, France has welcomed the recent report of the investigation committee on the crimes committed on the Syrian coast in March as a step toward swiftly bringing those responsible to justice and preventing the recurrence of such violence.

Syria's political transition must be rooted in inclusive dialogue, mindful of local realities—the only viable path to ensuring the country's unity, stability, and sovereignty.

What would a political roadmap leading to meaningful progress look like, according to France? Does France have concrete expectations of the Interim Government in Damascus?

As President Macron emphasized during the visit of Interim President Ahmad al-Sharaa to Paris, France's position is not to lecture anyone, but rather to stand firmly for common interests shared with Syria and others in the region.

One of the top priorities is security—the foundation of Syria's and the region's stability. There are real, shared threats, and Syria's authorities are naturally engaged in confronting them. The international community stands ready to assist in this effort, particularly in counterterrorism cooperation.

France also supports a peaceful transition that ensures Syria's stability and includes all segments of its society. We therefore underscore the importance of inclusive governance. In a transition phase fraught with challenges, building confidence among Syrians requires that all feel represented. That is why we continue to encourage dialogue between the authorities and local actors, within the framework of the Syrian state and its unity.

Transitional justice is another essential pillar of the ongoing process—there can be no peaceful Syria, at peace with its past, without accountability for past crimes and recognition of the victims. On the economic front, France is open to deepening its cooperation with Syria. We are ready to support efforts by the Syrian authorities to turn the page on decades of corruption and clientelism. For instance, a partnership between the Banque de France and the Central Bank of Syria could be envisaged to facilitate expert exchanges on monetary policy and help strengthen Syria's financial sovereignty.

What role does France envision for civil society and political parties in the new Syria?

The success of Syria's political transition will ultimately depend on the full participation of its society in the national reconstruction effort. In fields ranging from the economy and public administration to security, transitional justice, and environmental protection, the magnitude of the challenges ahead means that all Syrians must work

together, drawing on the richness, dynamism, and diversity of their society.

The formation of an inclusive and representative Provisional Assembly will be a first step toward fostering a vibrant and pluralistic political life. France is committed to supporting the emergence of a new Syria—free, stable, and pluralistic—where all voices can be heard.

French companies were once active in Syria's infrastructure and energy sectors. Are there any concrete initiatives underway to re-establish commercial ties between the two countries?

French companies possess internationally recognized expertise that could contribute significantly to Syria's recovery. Several have already reconnected. CMA-CGM is one example. Another is the French company Matière, which recently signed an agreement with the Syrian public road transport agency to rehabilitate 37 bridges across the country. Other companies have expressed interest and are beginning to explore opportunities in a well-informed and appropriate manner. Engagement with Syrian public and private stakeholders will be key to helping French companies move forward.

Does France have any plans for reconstruction or bilateral state-to-state financing?

The Agence Française de Développement (AFD) is France's traditional bilateral financing instrument. We are currently working on its return to Syria.

On a personal note, what do you hope to achieve during this transitional period for Syria and for France's renewed presence here? Syria is a country close to France's heart, and we are deeply committed to our historic ties with the Syrian people. On a personal level, I also have longstanding bonds with Syria, where I studied Arabic nearly 30 years ago.

Today, I am fully focused on the important mission entrusted to me. This is a historic moment—a time of both hope and challenges—for the Syrian people, who must be able to count on their partners. It requires deep engagement and a serious, sustained effort to ensure that France plays its part—alongside Syrians and in coordination with others. That is what I strive to do, with the support of my team.

SYRIA IN FIGURES

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.

Recent publications and contributions:

[Implications and Policy Responses for Banking Sector Sanctions on Syria \(Karam Shaar Advisory\)](#)

[Captagon After the Fall of Assad: Transformations, Challenges, and Regional Implications \(New Lines Institute\)](#)

[Syria's State Sponsor of Terrorism Designation: Implications and Pathways for Lifting \(Observatory of Political and Economic Networks\)](#)

[What should be done with EU targeted sanctions on Syria? \(Observatory of Political and Economic Networks\)](#)

[It's Time to End the EU's Assad-Era Sanctions on Syria \(Middle East Institute\)](#)

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