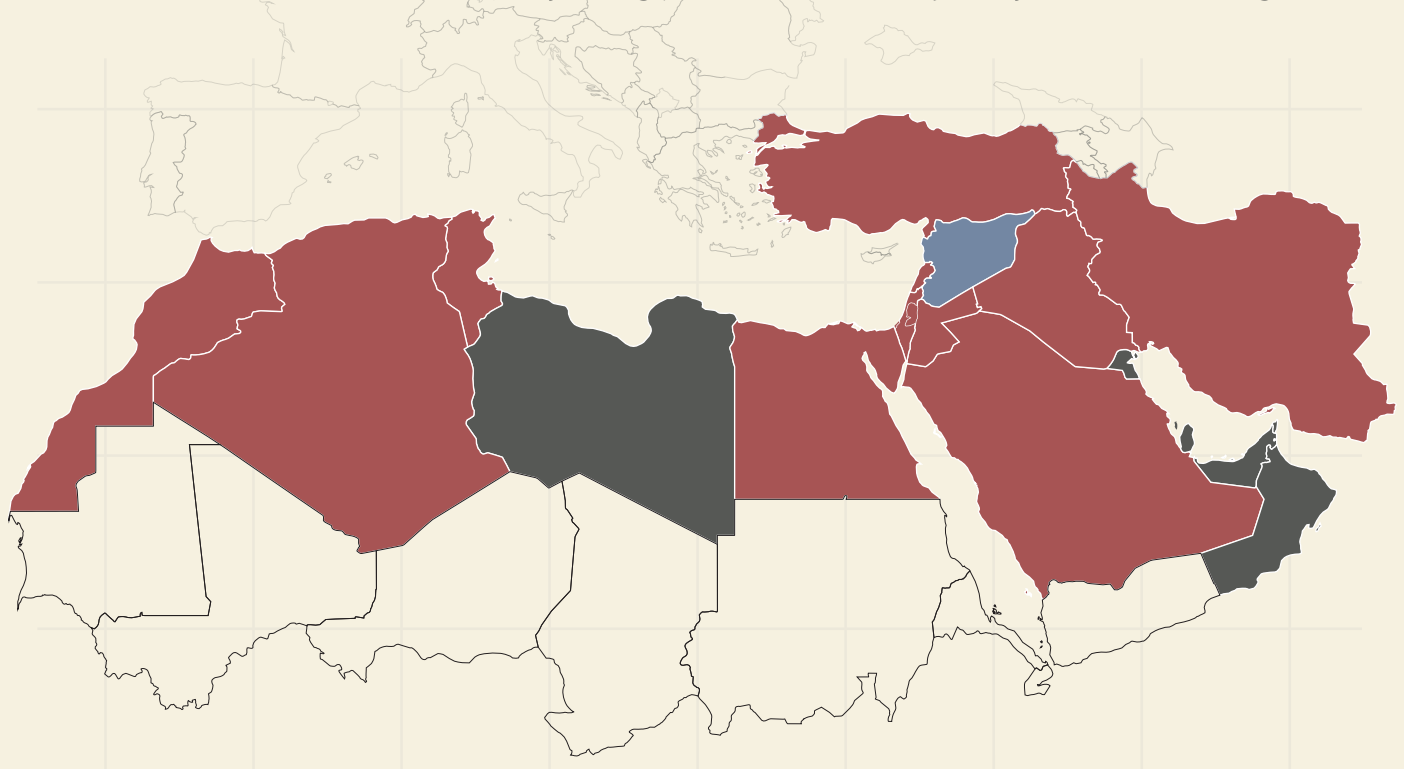


Syria in Figures

Making Sense of Syria's Economy

Turning the Tax System on Its Head: Assessing Syria's New Fiscal Reform

Syria's 2026 tax reform swaps a fragmented system with flat rates and high exemptions—but our assessment warns it risks deepening fiscal vulnerability despite its advantages.



Also in this issue:

Freezing Bank Deposits Gives Rise to a Parallel Market

Steps Toward Economic Recovery: Investment Memoranda of Understanding in Syria

The UXO Threat: Syria's Hidden War Against Landmines and Explosives



**Interview: Azzam Al-Gharib,
Governor of Aleppo**



**External Contribution: Dr.
Lorenzo Trombetta, Senior
Analyst and Author on
Contemporary Syrian**



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

Turning the Tax System on Its Head: Assessing Syria's New Fiscal Reform

In July 2025, Syrian authorities released for consultation [a draft law](#) introducing the most consequential tax reform in decades. Expected to [enter into force](#) in early 2026, the proposal replaces the fragmented, fee-heavy regime of the war years with a simpler code built on flat rates, high exemptions, and a unified approach to income. It abolishes the schedular system under [Law 24 of 2003](#)—separating wages, business profits, and capital income into distinct categories—and instead aggregates all sources of net income under a single framework.

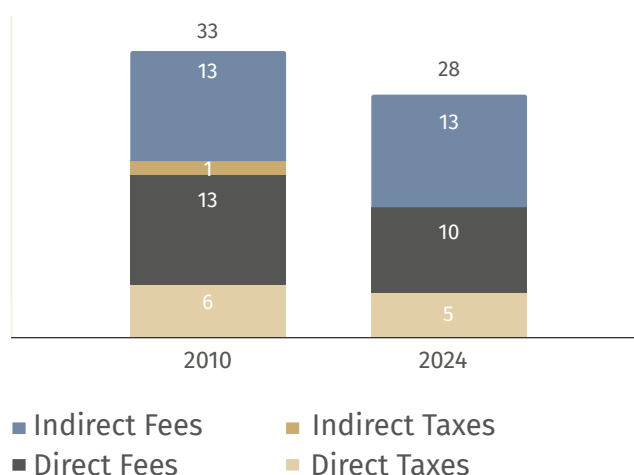
By reforming the tax system, the government seeks to present a model that is unified, simplified, and competitive, echoing the principles that Finance Minister Mohammad Yisr Bernieh [emphasized](#) when unveiling the draft. The analysis here draws on the publicly proposed amendments as well as a copy of the draft income tax law obtained by the authors in confidence.

Simplifying Taxes

The [pre-2025 tax regime](#) was a fragmented, outdated system built on schedular income taxes, arbitrary “lump-sum” assessments, and proliferating wartime fees. By 2024, direct taxes had [collapsed](#) to only 11% of expected revenues—while more than half of collections came from regressive [indirect levies](#) such as sales taxes, customs duties, and the “reconstruction fee.” The system was widely viewed as opaque, unfair, and excessively reliant on taxing wages and consumption rather than profits or wealth—a theme

examined in three earlier analyses of Syria's taxation system (see Articles [1](#), [2](#), and [3](#)).

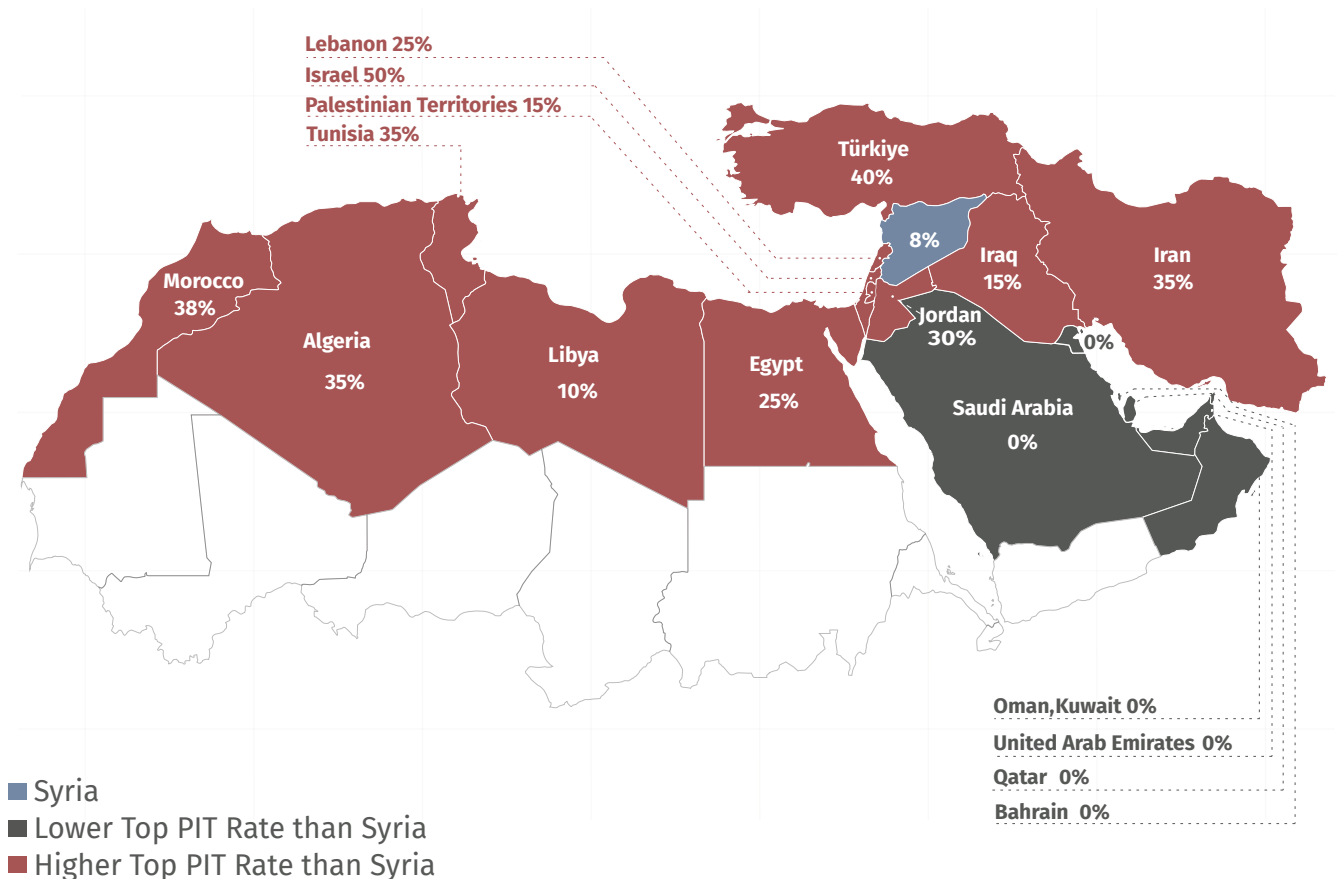
Number of Taxes and Fees in Syria (Pre-2025)



Source: State Budget, accessed through the Official Gazette. Data compiled by Karam Shaar Advisory Ltd.

The draft law introduces sweeping changes. For individuals, the personal income tax (PIT) is [replaced](#) with a threshold of SYP 60 million per year (about USD 5,200), below which no tax applies. This threshold effectively exempts the 90% of the population [living](#) below the poverty line, as well as all workers earning the monthly [minimum wage](#) of SYP 750,000 (about USD 65) set in June 2025. Above that threshold, income [is taxed](#) at a flat rate of 6% on the first SYP 5 million (USD 435) and 8% on all additional earnings. Such a structure would give Syria the lowest PIT rate in the region among those countries that levy personal income taxes.

MENA Personal Income Tax Rate (Top Marginal Bracket)



Source: Various online sources. Data collected and compiled by Karam Shaar Advisory Ltd.

In addition to the general allowance, taxpayers [may deduct](#) specific expenses: SYP 6 million (about USD 520) for a non-working spouse, SYP 8 million (about USD 695) per dependent child, and documented costs for healthcare, education, housing rent, and loan interest.

For businesses, the corporate income tax [is unified](#) at two flat rates: 10% for priority sectors such as industry, healthcare, education, consulting, technology, training, and aviation, and 15% for all other sectors. Agricultural income remains exempt, in line with long-standing practice. Dividends distributed by resident companies, along with certain categories of foreign investor income, are also exempt. Capital gains are generally taxed at 10%, though real estate transactions remain subject to the separate Real Estate Sales Law.

The law abolishes the discretionary “lump-sum” tax committees that long [determined](#) small business liabilities, replacing them with self-declared returns filed either through simplified income statements or full balance sheets depending on firm size. It also consolidates or eliminates many [wartime fees](#)—among them the Martyr’s Stamp, War Effort Stamp, and the Reconstruction Levy—which had proliferated since 2011 and fueled perceptions of arbitrary extraction.

On the administrative side, the reform proposes a leap into digitization: e-filing, electronic invoicing, QR-coded receipts, and enhanced compliance units equipped with digital tools. It also establishes specialized tax courts for disputes. While the draft requires the tax authority to justify claims of undeclared income, the burden remains on taxpayers to substantiate their accounts—an arrangement that, if applied fairly,

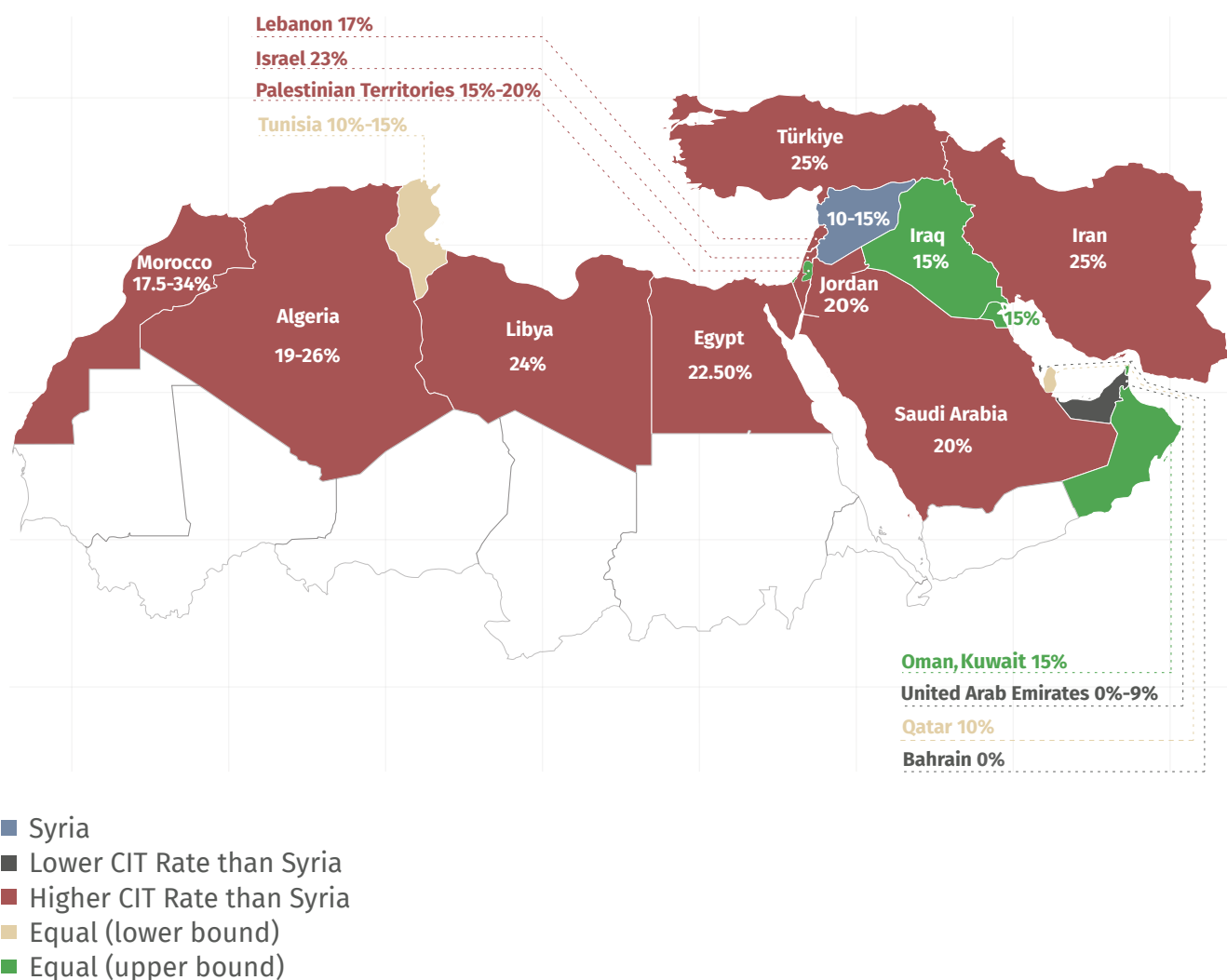
could provide stronger protections than in the past.

Comparison of Current and Proposed 2026 Tax Systems		
Aspect	Previous System	Proposed New System (2026)
Personal Income Tax (PIT)	• 5%–15% • Progressive monthly bands (5% up to SYP 250k, rising to 15% above SYP 1.1m) • Minimum exempt = monthly minimum wage	• Exemption = SYP 60m/year (USD 5.2k) • Wages taxed at 6% on first SYP 5m taxable income, 8% above • Additional deductions for dependents, health, education, housing
Corporate Income Tax (CIT)	• 10%–35% • Progressive for individuals (10–25%) • 15–20% for most companies • 25% for banks/insurance • 35% for oil & gas • Surtaxes apply	• 10% for priority sectors (industry, health, education, tech, training, aviation) • 15% for others • Some capital gains taxed at 10% • No surtaxes
Small Businesses	• Business under SYP 3m/year net income exempt • Above that, rates: ◦ 10% up to 10m SYP ◦ 14% up to 30m ◦ 18% up to 100m ◦ 22% up to 500m ◦ 25% above 500m	• Businesses under SYP 60m/year net income exempt • Above that, standard CIT apply
Agriculture	• Exempted, but with various indirect and hidden taxes (animal head tax, sales of agricultural products)	• Fully exempt (0%) • Potential indirect taxes unclear
Capital & Investment Income	• Interest taxed at 10% • Dividends exempt	• Dividends from resident companies exempt • Foreign investor income exempt • Some capital gains taxed at 10%
Fees & Surcharges	• Multiple overlapping levies (reconstruction, Martyr's Stamp, etc.)	• Consolidated into a unified structure • Wartime levies abolished
Administration	• Paper-based, weak enforcement, corruption • Taxpayer bore burden in disputes	• E-filing, QR-coded invoices, electronic records, specialized tax courts • Tax authority must justify adjustments when alleging undeclared income
Multiple online references and documents, including a draft tax law reviewed by Karam Shaar Advisory Ltd.		

Risks and Limits

The advantages of this model are clear. First, the reform offers immediate relief to households by removing almost all wage earners from the tax base. Given that the vast majority of Syrians [live in poverty](#), exempting low- and middle-income earners from direct taxation addresses both economic hardship and political realities.

MENA Corporate Income Tax Rate



Source: Various online sources. Data collected and compiled by Karam Shaar Advisory Ltd.

Third, the simplification and digitization of administration aim to replace the opaque committees and discretionary enforcement of the old system with transparent, rule-based procedures. This offers the prospect of rebuilding public trust in fiscal institutions after years in which taxation was perceived

Second, by lowering corporate rates to some of the lowest in the region—10 to 15% compared with [Lebanon's](#) 17%, [Jordan's](#) 20%, and [Türkiye's](#) 25%—the reform is explicitly designed to attract capital. Exemptions on dividends and certain categories of foreign investor income might be aiming to lure back diaspora funds and encourage reinvestment in the formal economy.

as arbitrary, corrupt, and disconnected from public services. By scrapping multiple overlapping fees and streamlining compliance, the reform also reduces the administrative burden on businesses, which may help encourage formalization and improve the investment climate.

Taken together, these measures are intended to signal that Syria is open for business and serious about fostering private sector-led recovery.

Yet the risks are equally significant. The most obvious is fiscal sustainability. With such a high exemption threshold and such low rates, the PIT will contribute negligible revenue, leaving the government almost entirely reliant on corporate income tax from a small number of formal firms. Syria's tax-to-GDP ratio¹—already among the lowest in the world [at under 5%](#) in 2024—is likely to fall further under this model. By contrast, tax collection is much higher in non-oil MENA countries such as [Tunisia](#) (34%), [Jordan](#) (17%), and [Egypt](#) (14%), while [Türkiye](#) collects around 23% and the Organization for Economic Co-operation and Development (OECD) [average](#) is 34%. The World Bank [has argued](#) that 15% of GDP is a tipping point, with countries that reach this percentage tending to see meaningful improvements in inclusive growth.

Even if investment does materialize, a flat 15% on profits will not generate revenues anywhere near the scale required to finance reconstruction costs. The reform assumes that low rates will spur growth and eventually broaden the base, but, at least in the

short term, the state risks stark underfunding.

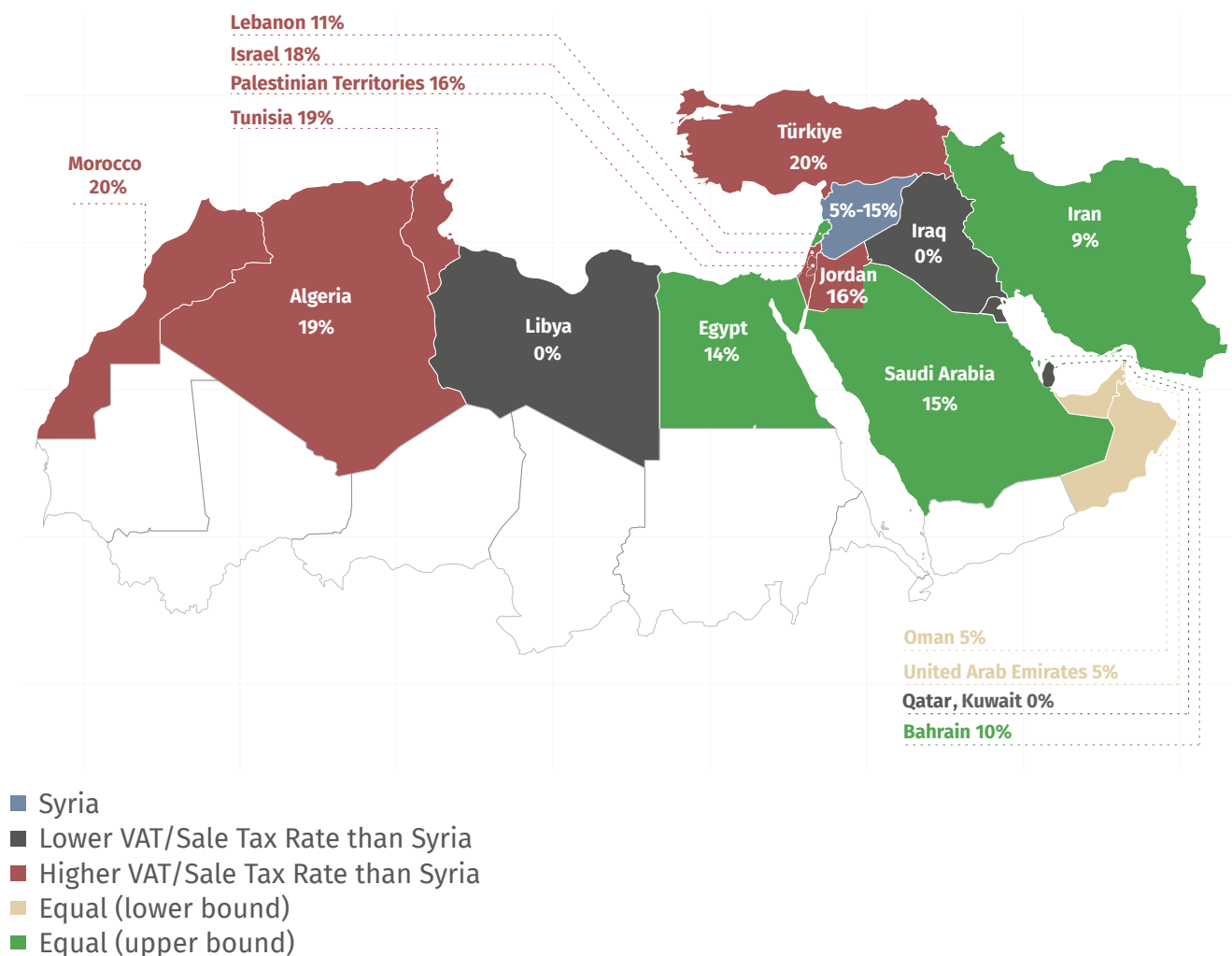
VAT-Like Sales Tax

To try to make up for the limited revenue potential of the new income tax framework, on 23 September 2025 the Ministry of Finance [circulated](#) a draft [Sales Tax Law](#) that resembles a value-added tax (VAT). The proposal introduces a general rate of 5 percent on most goods and services, with “special taxes” of up to 15 percent on selected luxury items and high-end services. Specific goods are subject to higher sales tax rates, such as pork products and derivatives (45%) and alcoholic beverages (84%). The sales tax will effectively [replace](#) the previous consumption tax ([Legislative Decree 11 of 2015](#)), which had imposed a fragmented set of excise-style levies on a limited list of goods and services.

The introduction of a VAT-like tax is a positive development in the context of post-conflict recovery. Evidence from fragile states such as Liberia, Malawi, Nepal, and the Solomon Islands [shows](#) that introducing or strengthening VAT and customs/excise taxes was central to sustained revenue gains. However, in Syria's case, the sales tax [is not exactly](#) VAT, as it is levied primarily at the final point of sale rather than [at each stage](#) of production.

1- The tax-to-GDP ratio reflects the state's ability to mobilize domestic resources and sustainably finance essential public spending.

MENA General Value Added Tax (VAT or Sale Tax) Rate



Source: Various online sources. Data collected and compiled by Karam Shaar Advisory Ltd.

Overall, however, Syria's redesigned tax system raises further concerns. The exemption threshold of SYP 60 million per year (about USD 5,200) for the income tax appears arbitrary and detached from the country's actual income distribution, with no clarity on whether or when it will be reviewed. Likewise, the decision to privilege certain priority sectors with a 10% corporate rate while taxing others at 15% is not clearly justified. The criteria appear ad hoc, with little sign of a coherent strategy linking tax policy to national development goals, and uncertainty surrounds the drafting process. It is unclear whether the Ministry of Finance drew on international technical assistance or lessons from other post-conflict tax

reforms, leaving doubts about the reform's grounding in best practice.

Administrative challenges loom just as large. If the system comes into force in January 2026, officials will have only a few weeks to adapt. Tax staff may lack the training to handle a shift toward self-declaration and digital oversight, creating risks of uneven enforcement and bureaucratic bottlenecks.

At the same time, while digital tools such as e-filing, QR-coded invoices, and electronic invoicing are promising, they presuppose infrastructure that Syria still lacks: electricity supply is [unreliable](#), internet connectivity is [scarce](#), and online penetration [remains low](#) (see our interview with the Minister

of Telecommunications and Information Technology in the [August issue](#)). On the compliance side, households and firms may struggle with an entirely new system, particularly given [low levels](#) of financial literacy, entrenched [informality](#), and pervasive mistrust of the authorities.

Given these risks, pressing ahead with the income tax law in its current form would be premature. Instead, the government should open the process to broader consultation, engaging international organizations for technical guidance, the international community for financial and policy support, and—most importantly—Syrians themselves to ensure the system reflects societal and economic preferences. Only through such inclusive dialogue can a tax reform deliver both legitimacy and lasting fiscal sustainability.

The Ministry of Finance [did hold](#) a three-week consultation on the income tax law in July 2025, and this appears to have had some impact. The initial proposal [set](#) the exemption threshold at USD 12,000 per year, while the latest draft lowered it to SYP 60 million (about USD 5,200)—an adjustment that might reflect the feedback received. Yet the law remains far from meeting Syria's fiscal and developmental needs, highlighting the shortcomings of a consultation process that was too brief, too narrow, and too limited to deliver meaningful reform.

Similarly, the Ministry of Finance opened a three-week [email-based](#) consultation on both the income tax and sales tax drafts.

Freezing Bank Deposits Gives Rise to a Parallel Market

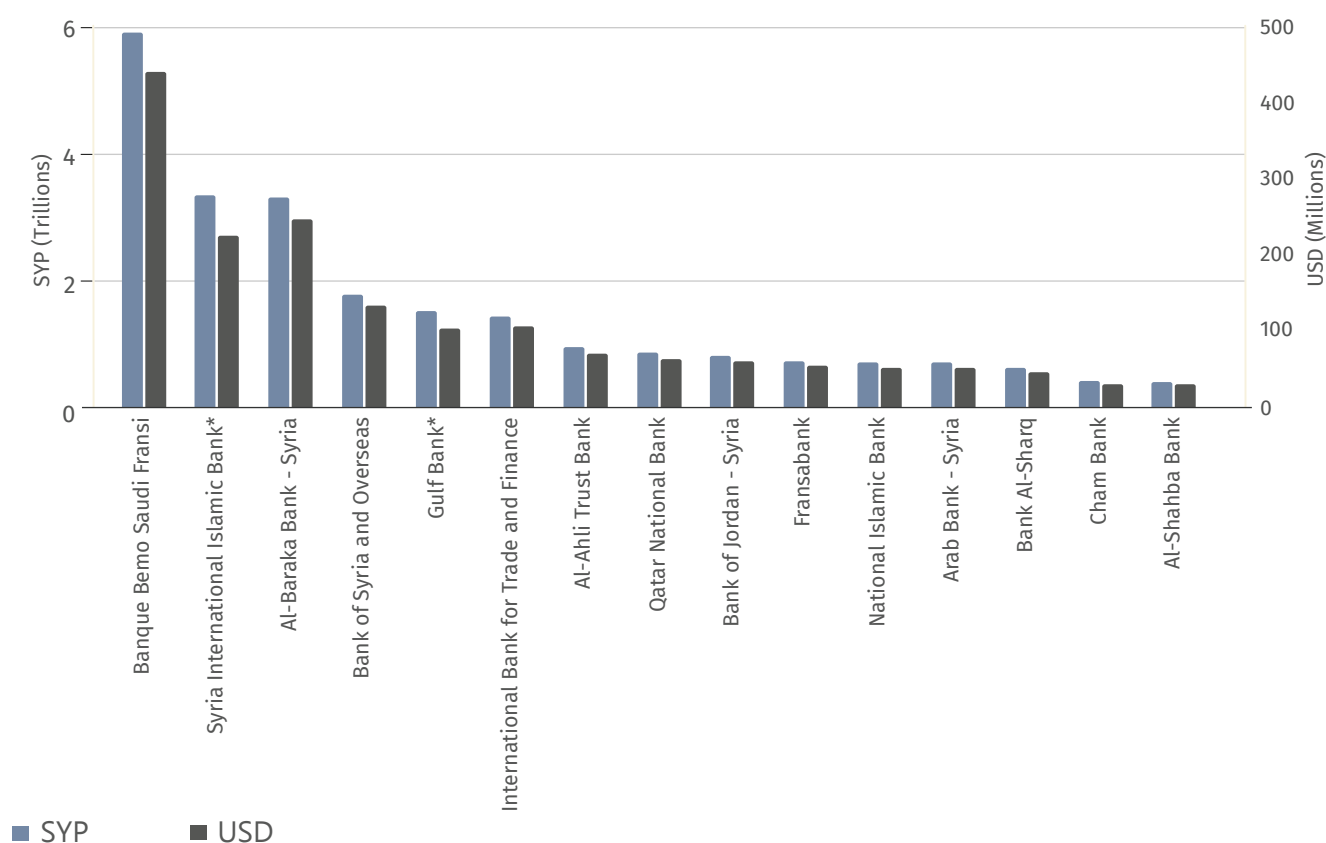
After fourteen years of conflict and crippling international sanctions, Syria's banking and financial sectors are [on the brink](#). The fall of the Assad regime has not yet brought relief; instead, it has exposed new layers of fragility.

In February 2025, the Central Bank of Syria (CBS) [imposed strict limits](#) on cash withdrawals. Customers could [take out](#) only SYP 200,000 (around USD 20) per transaction per week, a limit [raised](#) to SYP 600,000 (around USD 60) in early August. On 14 August, the Commercial Bank of Syria (CBoS) also [raised](#) the daily withdrawal ceiling at in-branch POS machines to SYP 1 million (around USD 100.4). These measures effectively froze deposits, leaving families unable

to meet daily needs and businesses unable to cover operating costs—even as banks continued to show substantial cash holdings on paper.

By the end of 2024, customer deposits in private banks (in SYP and their foreign-currency equivalent) stood at SYP 23.5 trillion (USD 1.7 billion), based on annual financial reports reviewed by the authors. For public banks, the latest data from the Central Bureau of Statistics show that customer deposits at the CBoS reached SYP 2.6 trillion (USD 151.5 million) at the end of 2022, compared with SYP 5.6 trillion (USD 326.5 million) for private banks in the same year.

Customer Deposits in Private Banks (2024)



* - Data for the Syria International Islamic Bank and the Syria Gulf Bank is up to the end of the third quarter of 2024.

Source: Annual and quarterly financial reports of private banks. Data compiled by Karam Shaar Advisory Ltd.

Yet most of this money sits with the CBS, which withholds liquidity from commercial banks—rendering deposits inaccessible. The CBS never clarified its reasons, leaving these funds effectively frozen. In bilateral discussions with the authors, Syrian authorities and bankers acknowledged that the CBS did not have enough liquidity in its vaults to meet demand. In a recent interview, Central Bank Governor AbdulKader Husrieh [mentioned](#) the “lack of domestic liquidity” as a significant challenge facing the economy today.

Whatever the motive, the restrictions created what became known as the “bank balance market,” where desperate depositors sell semi-frozen balances at steep discounts to traders with liquidity, who then profit by securing exemptions or withdrawing funds gradually. Such secondary markets for deposits are not unique to Syria. They have appeared in several crisis-hit economies where banks impose withdrawal limits, giving rise to the phenomenon of deposit “haircuts.”

For instance, in Lebanon during the 2019 financial crisis, the “Lebanese dollar” or “lollar” [emerged](#) after banks imposed de facto capital controls. Depositors were forced to either leave their funds trapped in accounts or to [withdraw](#) them at deeply discounted rates, far below the market rate. Similarly, Argentina in 2001–2002 imposed the “corralito,” [forcibly converting](#) USD deposits into pesos at 1.4 ARS/USD while the black-market rate neared 4 ARS/USD. Households and firms were forced to take heavy losses to access their own cash.

Losing Money to Do Business

The inner workings of the deposit haircut system are better explained by the individuals who partake in it, such as with the case of Abu Mohammad al-Homsi, a well-known ink trader in Damascus.

Abu Mohammad explained to the authors that most government institutions upgraded their printers at the beginning of 2025, leaving his warehouse stocks of ink for older models nearly worthless. To continue doing business, he urgently needed to import modern stock. Finances were not the problem: his bank account held a balance of SYP 700 million (about USD 70,000 at the time). The problem was that this sum was locked behind withdrawal limits that let him access only a fraction each month.

“I had money on paper, but I couldn’t move it in reality,” he recalls. “The market doesn’t wait; opportunities vanish if you don’t act quickly.”

Faced with losing his clients, Abu Mohammad turned to what has become a common solution among traders: selling his bank balance at a discount. After negotiations, he agreed to a 25% haircut. Out of SYP 700 million, he received SYP 525 million (USD 52,500) in cash, sacrificing SYP 175 million (USD 17,500). Painful as the loss was, it allowed him to immediately import the ink he needed and preserve his business relationships.

Abu Karim, a Damascene businessman in the trading of granite, reveals why this market thrives. For him, frozen balances are not a burden but a

lucrative investment. “Every balance purchase provides me with returns I can’t get elsewhere,” he explained. In one case, he paid a depositor SYP 208 million (USD 20,800 at the time) for a frozen balance of SYP 260 million (USD 26,000). He then reportedly secured an exemption from the CBS by paying a 5% fee of SYP 13 million (USD 1,300). Abu Karim declined to comment on how he obtained the exemption, and we could not corroborate this claim with other sources. Once the full amount was released, his net profit reached SYP 39 million (USD 3,900)—an 18% return.

Abu Mohammad and Abu Karim’s stories are far from unique. Across the country, households and small businesses with urgent cash requirements are forced to sell deposits at heavy discounts. This deepens inequality between those who can absorb losses and those who cannot, and entrenches public mistrust in banks. Private bankers in Damascus told the authors that frozen balances and the liquidity crunch are choking consumption, trade, and recovery across the economy, and are already reshaping public perceptions of the banking sector.

Moreover, the burden is felt unevenly: under [current CBS rules](#), only deposits made after 7 May 2025 can be withdrawn freely. Long-time residents with older savings are penalized, while returnees or those who brought in fresh capital enjoy privileged access to liquidity and new opportunities. This arrangement does provide the system with some fresh liquidity and partial relief, but it remains deeply unfair to older depositors. What began as a temporary liquidity measure risks hardening into a lasting source of

grievance and social tension. In search of alternatives, Syrians could turn to [Sham Cash](#), an e-wallet [mandated](#) by the Ministry of Finance to disburse public-sector wages. Despite operating without clear regulatory licensing, it has expanded significantly since the fall of the Assad regime.

Yet while it offers easy, unlimited withdrawals through hawala agents like [Al-Fouad](#) and [Al-Haram](#), the platform is [fraught with risks](#): it operates outside official mobile app stores, lacks regulatory oversight, harvests sensitive data without safeguards, and bypasses the formal banking system—transforming a tool designed for inclusion into a potential instrument of surveillance and abuse. Without proper oversight, Sham Cash gives operators the power to monitor transactions, track the locations and spending patterns of users, freeze or selectively block accounts, and potentially weaponize access by rewarding allies and punishing opponents.

The Need for International Support

With deposits frozen, trust in banks eroding, and Syrians facing unequal access to funds, this poses a threat to the country’s fragile economic recovery. For external partners, several areas of engagement stand out.

Decisions on restoring equal treatment of deposits and easing withdrawal limits lie with the CBS and transitional authorities. External partners, however, can play a role by ensuring that financial assistance is linked to progress on equitable access, while offering unconditional technical cooperation to

strengthen institutions and share lessons from other post-conflict economies.

The Deposit Insurance Authority, [created](#) in August 2025, offers a direct entry point for support. Its credibility depends on actuarial expertise, reserves, and governance—areas where donors can contribute seed funding, guarantees, training, and technical systems.

Trust will also hinge on transparency and safer digital payments. While publishing liquidity data remains the authorities' decision, partners can support by supplying reporting tools, capacity-building, and piloting regulated payment platforms with mobile operators and fintechs. These would offer secure alternatives to opaque e-wallets like Sham Cash.

Steps Toward Economic Recovery: Investment Memoranda of Understanding in Syria

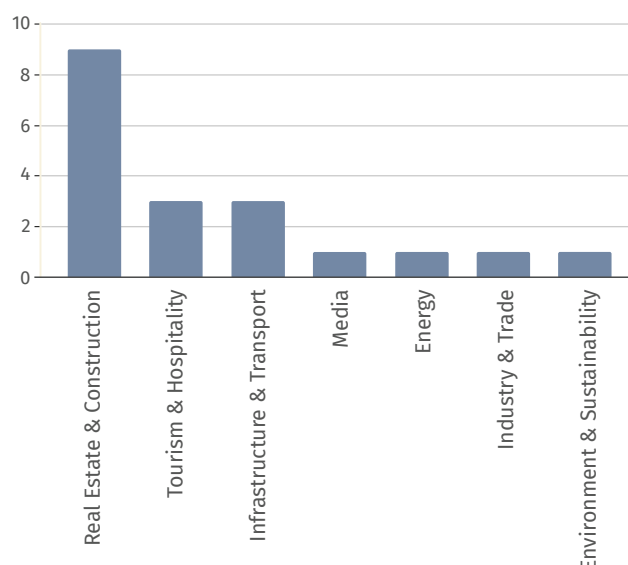
In the post-Assad era, Syria is witnessing a noticeable wave of openness to investment, reflected in the announcement of a series of memoranda of understanding (MoUs) with international partners. While the figures announced point to highly ambitious goals, important questions arise regarding the practical mechanisms of implementation, the governing legal frameworks, and the factors that could determine whether these agreements remain at the level of intentions or materialize into tangible projects.

This study examines two sets of investment memoranda: 20 MoUs signed with international actors, analyzed individually by value, sector, geography, and timeline; and 47 initial agreements and MoUs, [signed](#) at once at the Syrian-Saudi Investment Forum in July 2025, worth USD 6.4 billion. Due to the lack of project details, these are assessed only by sector and overall value.

Group One: The Twenty MoUs—The Reality of Agreements in the Post-War Phase

Since the downfall of the Assad regime, we have tracked 20 MoUs announced between Syrian state institutions and foreign companies. The values of 15 of these agreements were disclosed, amounting to a total of USD 19 billion; no details were provided for the remaining five. Collectively, these agreements span a wide range of sectors, with a strong focus on real estate and construction.

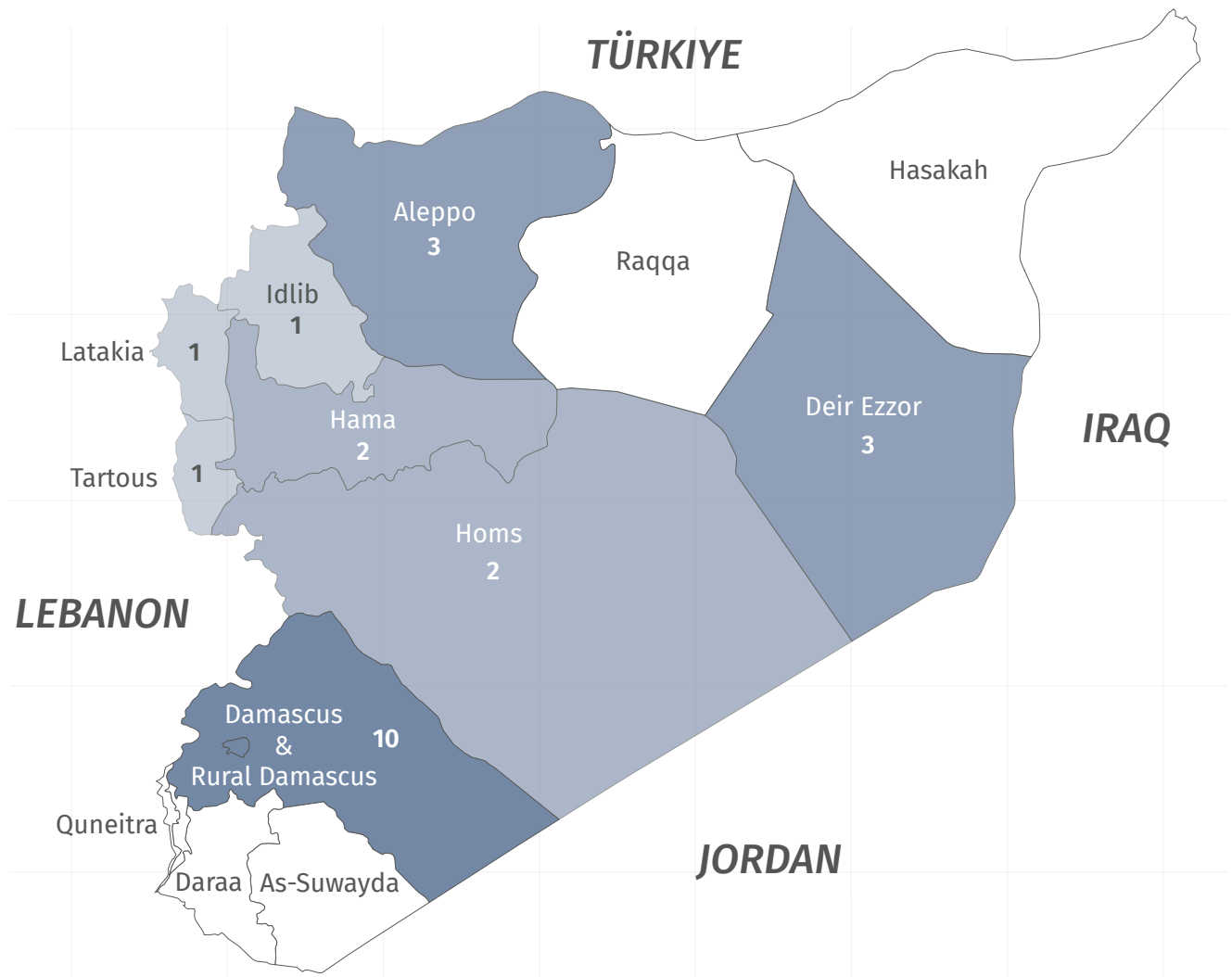
Distribution of Memoranda of Understanding by Sector



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

From a geographical perspective, the MoUs are spread across several provinces, with the primary concentration in Damascus and its countryside. Notably, Idlib Governorate—formerly the main stronghold of the current government—received only a single MoU. This could be read as a positive signal that the government does not intend to discriminate against previously contested areas, but it may also reflect a preference to keep Idlib’s future development more tightly under its own control, limiting external involvement at this stage.

Distribution of Memoranda of Understanding by Governorate



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

Available information also indicates that many of the foreign partners involved in these agreements are newly established companies, raising questions about their technical and financial capacities to implement projects of this magnitude. While parties to MoUs often strive to present the highest degree of professionalism at the time of signing—with an embedded interest in exaggerating their capabilities—this may create an impression of seriousness that does not necessarily reflect actual implementation capabilities. The next issue of *Syria in Figures* will examine these companies through an interactive map of MoU signatories and their corporate ties.

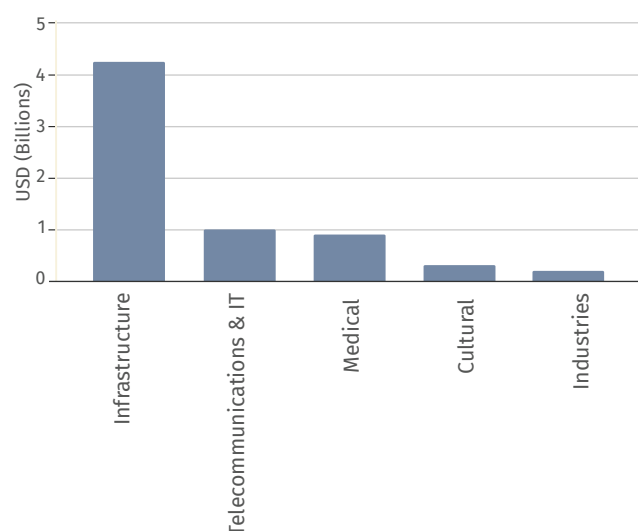
Group Two: Agreements from the Syrian-Saudi Investment Forum

On 24 July 2025, the Syrian-Saudi Investment Forum [was launched](#) in Damascus with the participation of a high-level Saudi delegation headed by Minister of Investment Khalid Al-Falih. During the forum, 47 initial agreements and MoUs—[were signed](#) between several Syrian state institutions and Saudi companies, with a [total value](#) of USD 6.4 billion. Due to the inability to distinguish MoUs from these initial agreements according to the announcement, we treat all of them as MoUs.

The agreements cover infrastructure

and real estate development, which [accounted](#) for the largest share of total investments, in addition to telecommunications and information technology, industry, tourism, and health. However, given the lack of disclosure on project nature and provincial distribution, we were unable to independently verify the geographic spread.

Sectoral Distribution of MoUs Signed at Syrian-Saudi Arabia Forum



Source: Various online reports. Calculation and data compiled by Karam Shaar Advisory Ltd.

Implementation and Obstacles

Tracking the MoUs—including those concluded during the Syrian-Saudi Investment Forum—reveals that the actual rate of implementation has been extremely limited. Out of all the monitored memoranda, only one project has [publicly commenced](#): the rehabilitation and development of production lines at the Fayhaa Cement Plant.

The short timeframe since the first agreements (just four months since the [initial MoU](#) with China's Fidi Contracting) may partly explain the low implementation rate—particularly as the largest batch of MoUs was signed less than a month ago. The Syrian case,

however, raises broader questions about whether such announcements can realistically move from paper to practice. To better understand what conditions enable MoUs to translate into actual investments, it is useful to compare Syria's experience with that of neighboring countries where similar agreements were signed and implemented at scale. The Sharm el-Sheikh Economic Conference in Egypt in March 2015 offers a potential comparison.

At that conference, Egypt [announced](#) USD 72.5 billion in agreements, which included USD 36.2 billion in [direct investments](#) (final contracts) and USD 29 billion in [MoUs](#)—USD 12.7 billion in real estate and tourism, and USD 16.3 billion in electricity generation—in addition to USD 3.3 billion in [cash support](#) from the Gulf. Remarkably, [work started](#) on more than half of these projects within five months, thanks to political stability, direct Gulf financial support, and the [existence](#) of a clear institutional framework for implementation.

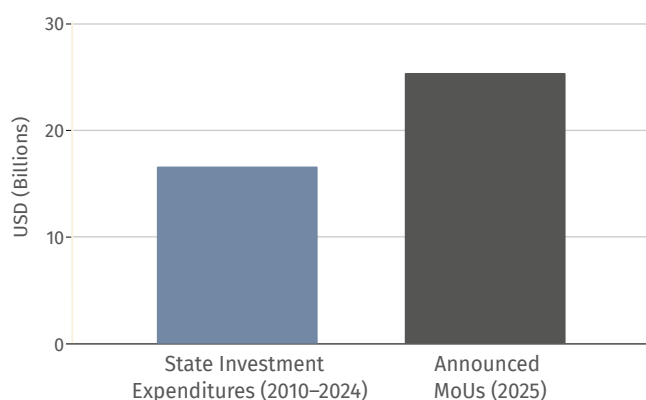
In Syria, however, structural obstacles to implementation are considerable. Security risks remain acute in several regions, with sporadic clashes continuing in the west, east, and south, along with a persistent, albeit waning, threat of terrorism. Such instability discourages long-term investment, while political and institutional uncertainty further complicates matters, as large projects are often launched without the transparency in bidding that major investors expect.

Sanctions and financial isolation add another layer of difficulty. Even with [partial easing](#) of the Caesar Act, much of

the sanctions' impacts remain in place, sustaining an environment of legal and financial uncertainty (see our newly launched monthly [Syria Sanctions Monitor](#)). At the same time, local banks remain [disconnected](#) from the global financial system, making cross-border transfers and capital flows extremely difficult.

Finally, the scale of announced investments far exceeds Syria's underlying economic capacity. To put the value of MoUs (USD 25.4 billion) into perspective, total government investment expenditures between 2010 and 2024 stood at USD 16.6 billion (see chart below). Foreign direct investment (FDI) figures for most of this period are unavailable, [except](#) for 2010 and 2011, but it is likely that FDI was minimal in subsequent years due to the deteriorated economic environment—and thus dwarfed by the value of recent announcements.

Actual Public Investment Expenditures Compared to the Value of Announced MoUs



Note: Actual investment expenditures for 2024 were estimated based on the average fulfillment rate of investment expenditures between 2010 and 2023 (51%). The value of investment expenditures has not been adjusted for inflation.

Source: End-of-year accounts accessed by Karam Shaar Advisory and tracking on MoUs from various online sources. Data and calculations compiled by Karam Shaar Advisory Ltd.

This stark imbalance raises serious questions about whether Syria has the institutional and financial capacity to absorb and manage projects of this scale, particularly after years of [shrinking](#) budgets and depleted state resources. Should these agreements materialize, however, they would have a transformational economic impact. World Bank data put Syria's entire [GDP](#) in 2023 at only USD 20 billion.

Ways Forward

The signing of these MoUs demonstrates clear political intent, especially from Saudi Arabia and Qatar, while placing responsibility squarely on the Syrian government. Its next moves will be decisive—both for advancing the agreements and for shaping how investors and foreign governments judge its seriousness in pursuing recovery.

International engagement can add real weight if it strengthens regulatory capacity, clarifies legal frameworks, and reduces uncertainty for investors. Foreign policymakers should also recognize that Syria's transition will be uneven. Still, early conditional signals of support—anchored in accountability and inclusivity—could steer reforms toward broad-based recovery rather than narrow short-term gains.

The UXO Threat: Syria's Hidden War Against Landmines and Explosives

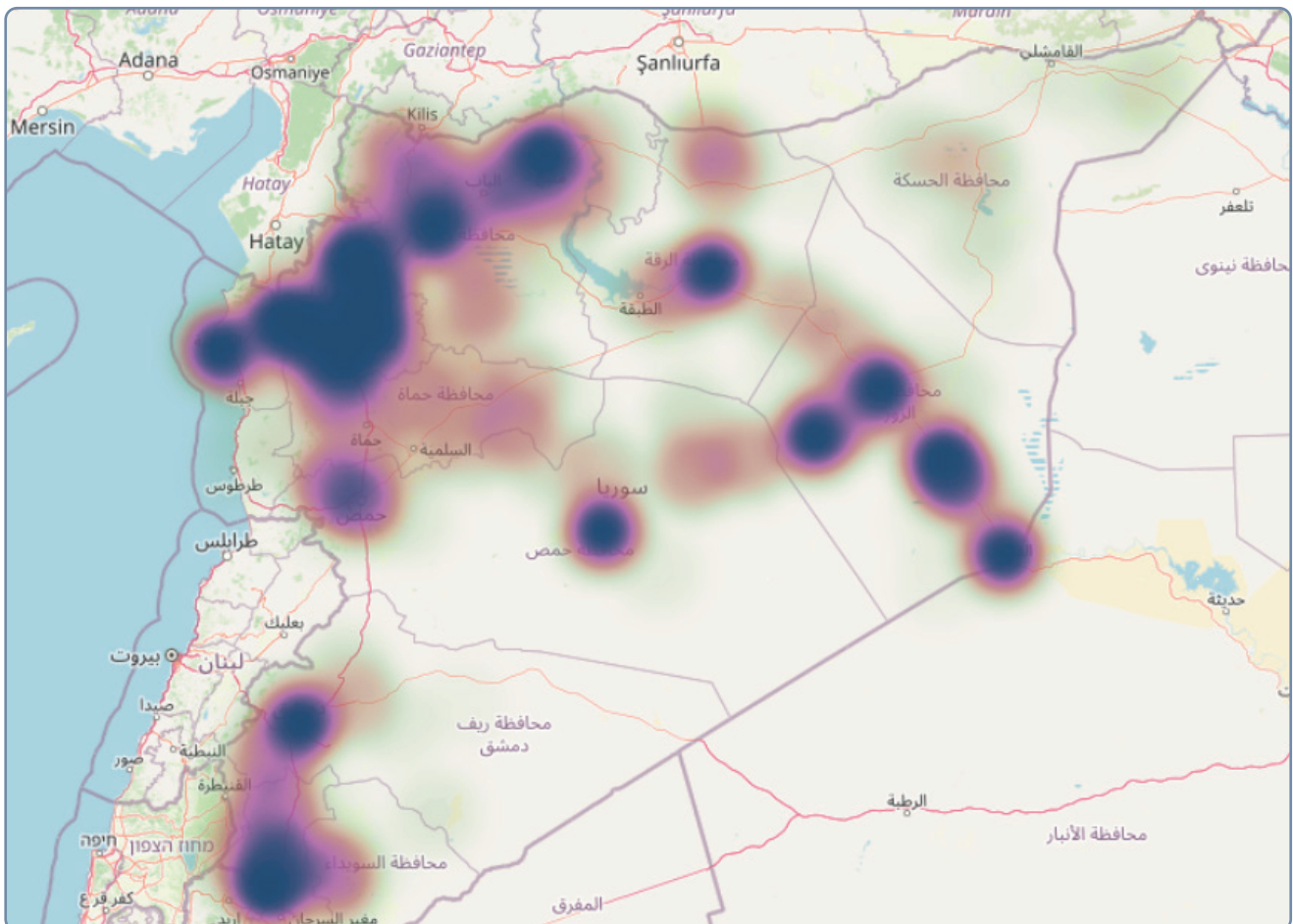
Since Bashar al-Assad's fall on 8 December 2024, Syria's transition has faced a daunting mix of internal and external challenges: economic collapse, sanctions, destroyed infrastructure, sectarian tensions, political divisions, terrorism, and regional pressures. These obstacles will take years to overcome, but with steady governance and international support, gradual progress is possible.

One underreported challenge threatening local recovery is unexploded ordnance (UXO). Post-war environments often face landmines, cluster munitions, and other unexploded air- or ground-delivered munitions, but Syria's contamination is

believed to be unprecedented—far exceeding levels seen elsewhere.

According to data [collected](#) by Syria Weekly and analyzed by Syria in Figures, the country witnessed about 650 UXO incidents in the first nine months of 2025, causing more than 570 deaths and 850 injuries. The true toll is likely higher, given poor local reporting and the rural nature of the problem. Incidents have surged since Assad's fall, as returnees and farmers reenter long-abandoned lands. The Syrian Network for Human Rights reports 3,471 people [were killed](#) by UXO between 2011 and 2024—an annual average of 267—meaning 2025 deaths are on track to nearly triple that rate.

Heatmap of UXO casualties, Dec 2024–Sep 2025



Source: Syria Weekly data analyzed by Karam Shaar Advisory Ltd. To interact with the visualization, [visit here](#).

For context, Handicap International's Landmine Monitor recorded 5,757 UXO casualties—killed and injured—across 55 countries in 2023. At current levels, Syria's 2025 incidents could make up more than a third of that global total. The Mines Advisory Group (MAG) [has called Syria](#) "the greatest humanitarian impact of landmines and unexploded ordnance anywhere in the world." Another global UXO-focused organization privately told *Syria in Figures* it would take 25–40 years of full-time work to resolve Syria's contamination with current resources.

According to 2025 *Syria Weekly* data, the [worst-affected](#) areas are the northwest, Daraa, rural Homs, and Deir Ezzor's Euphrates River corridor. After months of intensive demining work, Ministry of Defense teams estimate 350,000 landmines remain [around Palmyra](#) (25,000 cleared by late August 2025), and 316,000 in [Deir Ezzor](#) (32,000 cleared by early September 2025). For comparison, the Carter Center notes it [took](#) 23 years to clear 86,000 landmines in Mozambique, and four years to clear 11,540 in Iraq.

The UXO threat hinders rural recovery and access to basic services such as education, healthcare, and staple goods. The hardest-hit areas are sparsely populated, agricultural, or villages depopulated and destroyed during the war. As communities return, they face landscapes riddled with UXO, undermining rebuilding and resettlement. Poverty drives many to ignore safety warnings in search of

livelihoods—from farming to scavenging scrap metal. Some even attempt rudimentary demining, at great risk.



A civilian neutralizes a landmine with a shovel in government-held areas of the Deir Ezzor desert. Source: video circulating on Telegram.

Children are heavily impacted, making up at least 33% of all casualties, according to [Syria Weekly](#). Médecins Sans Frontières (MSF) similarly [estimates](#) that up to 40% of 2025 Syrian UXO casualties were children.

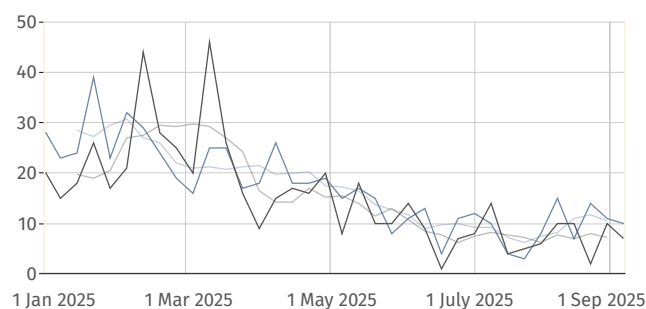
Beyond blocking recovery, the UXO threat is worsening Syria's [healthcare](#) crisis, producing hundreds of severe casualties needing long-term care, physical therapy, and psychosocial support. Healthcare [workers report](#) nearly 66% of casualties suffer life-threatening or serious injuries, and about 25% require amputations.

To confront the UXO threat, the transitional government and NGOs have [intensified](#) public awareness campaigns. These may be working: UXO incidents have gradually declined, with deaths falling from 32% of the national total in Q1 2025 to 16% in Q3.² The slowdown may also reflect fewer displaced people

2- This calculation does not take into account the three major spates of sectarian violence that struck Syria in mid-March, early-May and mid-July, 2025.

returning compared to the rush after Assad's fall in late 2024.

UXO Incidents and Deaths



- Incidents
- Incidents (three-weekly moving average)
- Deaths
- Deaths (three-weekly moving average)

Source: Data compiled by Syria Weekly and analyzed by Karam Shaar Advisory Ltd.

Public awareness helps reduce incidents, but tackling the wider UXO challenge requires major effort, combining limited domestic resources with international support.

For the transitional government, coordination with the UN Mine Action Service (UNMAS) must be prioritized³. Partnerships with NGOs such as [MAG International](#) and the [HALO Trust](#) should follow, with all granted nationwide registration, clearance, and access without delay.

To coordinate with international efforts, Syria's government must create a single national entity to manage UXO response, pooling resources now split among the Ministries of Defense, Interior, and Emergency and Disaster Response (including Civil Defense). Planning is underway and was the subject of [discussions](#) with HALO Trust CEO James Cowan in Damascus on 13 September. This body should lead nationwide UXO surveys and mapping, made publicly accessible—ideally via a mobile app. Early phases should prioritize areas most likely to see

returnees, farmers, or other civilians.

Alongside awareness campaigns, authorities should create a nationwide network under the mine-response body. At municipal, district, and governorate levels, it would collect UXO data, liaise with communities, coordinate demining, and maintain contact with schools to provide children with consistent UXO education.

In an interview with *Syria in Figures*, Minister for Emergency and Disaster Response Raed al-Saleh said the government has begun localized surveys, launched awareness campaigns for children and the broader public, and is establishing a “National Mine Center.” The new entity will “develop and implement strategies to remove remnants of war and landmines, and work in coordination with local authorities and international organizations” to protect civilians and stabilize Syria. Al-Saleh stressed the urgent need for international support, including “sustainable financial and technical support,” “modern technology and equipment,” “training and capacity building,” and “victim assistance programs.”

Internationally, the UN and donor states must recognize the strategic significance of Syria's UXO challenge and its impact on recovery. Greater funding is needed for domestic training, capacity-building, and expanded demining. The UN should develop a strategic plan with the proposed national entity to ensure a sustainable, multi-year effort. Donor support should also strengthen Syria's health sector to meet the long-term needs of UXO victims.

3- The UN currently has an ongoing initiative to support mine action in Syria. See: UN Info, “[Cooperation Framework Activity Report](#).”

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Syria and Lebanon: Borderlands as Catalysts for Development and De-escalation in the Levant

The rapid unraveling of half a century of Assad-era dominance in Syria, combined with Hezbollah's weakening in Lebanon, has created a rare strategic opening for both countries. If handled pragmatically, Damascus and Beirut could reframe bilateral relations around parity, sovereignty, and the effective sharing of abundant cross-border resources, fostering a new era of shared socioeconomic development. Missed, the moment will simply prolong familiar cycles of fragmentation, predatory economies, and recurring violence.

A century of external interference, communal partitioning, authoritarian retrenchment, and violent spillovers has left the Levant fragmented and economically hollowed out. Local and transregional criminal networks involving narcotics, arms trafficking, and people smuggling now operate in symbiosis and competition with state actors on both sides of the border. This cycle has entrenched marginalization and repression, fueling radicalization,

displacement, and illicit economies with Levant-wide consequences: violence, irregular migration, corruption, and instability.

Against this bleak backdrop, late summer brought cautious but meaningful change. After a prolonged wait-and-see phase, bilateral rhetoric in both Damascus and Beirut shifted to gestures of parity. In a statement, transitional Syrian leader Ahmad al-Sharaa declared that he [sought to](#) turn a new page in relations between Syria and Lebanon, grounded in mutual respect. The same point [was echoed](#) by Lebanese Vice-Premier Tarek Mitri, tasked with handling Beirut's relations with Damascus, who emphasized that Lebanese-Syrian relations had entered a new phase and were moving toward a new chapter. In this climate, technical commissions [have convened](#) in both capitals to address two long-stalled dossiers: border management and the fate of thousands of Syrian detainees in Lebanon. Meanwhile, the topic of Syrian refugees in Lebanon has mostly [been relegated](#) to international organizations. Since early summer, UNHCR and the International Organization for Migration (IOM) [have led](#) an initiative, in coordination with Beirut and Damascus, for the voluntary, gradual return of Syrian families, offering cash incentives and lifting fines for those who had been in Lebanon illegally.

Yet skepticism still remains strong in both capitals. Many in Lebanon fear the repercussions of Hayat Tahrir al-Sham's dominance in Damascus and the influence it might exert over Lebanon's

Sunni communities. At the same time, Syrians' fraught experience with Hezbollah—a key supporter of the deposed Assad regime—fuels deep resentment and mistrust, leaving many doubtful that Sharaa can fully distance himself from the movement or build genuine confidence with Beirut.

Cross-border clashes [have underscored](#) how security tensions directly damage local economies, heighten grievances, and undermine trust on both sides. The March border agreement [brought](#) these challenges into sharper focus, revealing two persistent problems.

The first is foreign interference: regional and international actors—from Saudi Arabia and Iran to the US, Türkiye, and Russia—continue to shape border politics, often tying them to the unresolved Hezbollah question. Such involvement has deep historical roots, from colonial administrators to modern power brokers, and continues to dictate the terms of border management.

The second problem is the persistence of a security-centric approach that treats the frontier primarily as a militarized zone rather than a space of long-standing social and economic interconnection. Since 2005, Western support for tighter policing, observation towers, and counter-smuggling operations has reinforced this logic. Yet Lebanese forces remain overstretched, Syrian forces struggle to assert control, and [recurrent](#) sectarian violence and displacement expose the limits of relying solely on security measures to manage a border deeply embedded in local socioeconomic life.

What is needed instead is a

comprehensive socioeconomic strategy that views borderlands as economic corridors rather than sealed security zones prone to conflict. Lebanon [depends](#) on Syrian markets, transportation routes, and production capacity to export agricultural goods across the Gulf [states], yet many of these flows are [dominated](#) by captagon and other contraband. Smuggling of [licit goods](#) requires reforms in the management of essential commodities and the elimination of price differentials that sustain corruption. Although Damascus has begun to [reduce](#) subsidies on basic goods, distrust of authorities remains high, and many actors continue to bypass official channels.

By moving beyond a security-centric approach and embracing socioeconomic development, these borderlands could be radically transformed. Networks that now thrive on illicit activity could be redirected into legal trade, with new corridors—from Tripoli and Qleiaat airport through the Orontes Valley to Homs, or along the Damascus–Beirut axis via Zabadani, Serghaya, and the Bekaa—reconnecting ports, farmland, and communities. Such routes, though dormant today, hold the potential to disrupt trafficking, anchor legitimate commerce, attract investment, and build private-sector confidence. As Sharaa [noted](#) in August, developing cross-border infrastructure and shared resources offers a pathway to stability and cooperation between Syria and Lebanon.

Remaining hopeful but cautious is advisable, given that this process presents multiple potential risks. If

Syria and Lebanon can transform this rare window of political opportunity into institutionalized, mutually respectful cooperation—combining credible security measures with inclusive economic revitalization—they could weaken the criminal economies and identity-driven politics that have fueled decades of conflict. Conversely, failure to do so would likely lead to the reemergence of old patterns of predation and fragmentation, with the broader eastern Mediterranean region bearing the consequences.

In this delicate landscape, external actors also carry weight. Countries long embedded in Lebanon's politics—notably the US, France, and Saudi Arabia—have rediscovered a stake in Syria and are now active on multiple fronts across both states. Their engagement, if calibrated carefully, could help steer bilateral efforts toward stability and reform. By supporting credible security arrangements and fostering economic revival, these powers would not only advance their own strategic interests but also contribute to a more resilient regional order.

Interview: Azzam al-Gharib, Governor of Aleppo



Vision and Administrative Transparency

Q: What is your personal vision and your top priorities for the city during your term? What message would you like to convey to the people of Aleppo at the beginning of your tenure?

Safety above all, Aleppo – for the sake of our children.

Q: Could you describe how the governorate’s administrative structure functions under Law 107 of 2011, and what steps you plan to take to improve clarity of responsibilities and performance levels?

The governorate’s work is fundamentally based on [Law 107 of 2011](#) on Local Administration, but it remains highly centralized. Citizens do not know where responsibilities begin or end, as the mandates of directorates overlap and remain unclear. At times, responsibilities and tasks are altered depending on the personality, inclination, or will of the official in charge, regardless of what is written on paper.

In the future, we seek to develop the administrative structure toward decentralization—clarifying

responsibilities and distributing them according to specialization—in order to achieve the vision we aspire to and to provide better services to citizens. Flexibility will remain necessary until we reach the best possible outcome. Reviewing existing procedures and structures is indispensable if we are to overcome the obstacles that stand in the way of improvement.

Financial Management and Development

Q: What mechanisms are being used to manage the governorate’s resources, and how will the Sovereign Fund contribute to reconstruction and development in Aleppo?

The governorate is working in continuous coordination with the Syrian Investment Authority to map out an investment plan. The newly established Sovereign Fund will play a major role in the next phase of reconstruction, particularly given the strong and attractive opportunities available in Aleppo.

Q: What measures has the governorate taken to increase transparency in funding and expenditures, and to strengthen trust with citizens?

The governorate of Aleppo has launched several initiatives highlighting the importance of contributions from local companies and organizations in supporting public services and the community. For each initiative, plans for expenditures and contributions were set out under the supervision of a newly formed Council for Integrity, tasked with overseeing the process. This strengthens the role of local

communities in monitoring, in line with the governorate's vision. In this way, the principle of transparency is reaffirmed, trust between beneficiaries and contributors is increased, and all spending is ensured to be open and in the interest of citizens.

Q: What mechanisms are used to identify the development needs of different areas, and how do civil society and local councils contribute to this process?

The process of identifying area needs follows an objective and inclusive methodology:

1. Collecting official data – service directorates (municipal, education, health, electricity, water) prepare lists of needs using unified forms and standards that set out priorities, constraints, and required interventions.
2. Involving local communities – sessions with neighborhood committees and local notables, along with surveys, identify the most pressing priorities from the perspective of civil society.
3. Analysis and integration – the Directorate of Planning reviews the data, compiles it into a comprehensive file of projects and needs, ranks priorities according to criteria, and studies complementarities between projects in coordination with civil society and official bodies.

Local councils, especially municipalities, play a key role by raising needs and conducting comprehensive surveys in their areas, ensuring rural priorities are also included in planning.

Reconstruction and Infrastructure

Q: Recently, a campaign was [launched](#) alongside the “Syrian Development Fund.” How will these initiatives be integrated to [benefit](#) Aleppo, and what mechanisms will ensure transparent allocation across priority projects?

The Syrian Development Fund acts as a unifying umbrella that supports all initiatives and constitutes the basis for integration and coordination of large, cross-governorate development projects. In Aleppo, the governorate's initiative aims to mobilize efforts among governorates, local communities, and all sectors to contribute to the city's reconstruction. This includes integrating resources and ensuring transparency in distributing them across priority projects, with oversight mechanisms that guarantee efficiency. The ultimate goal is to pool capacities and expand development opportunities so that Aleppo can benefit to the fullest in its reconstruction and revival.

Q: We recently observed the [signing](#) of a memorandum of understanding worth 10 million USD to rehabilitate Aleppo's main roads. What are the project details, the implementation timeline, and which areas of the city and countryside will be covered?

The memorandum of understanding, valued at 10 million USD, was signed between the governorate and an international humanitarian organization.

It covers the maintenance and rehabilitation of the city's main roads connecting Aleppo with the countryside. Implementation has already begun

along three main axes:

- Azaz – Aleppo
- Darat Izza – Aleppo
- Atarib – Aleppo

Other entrances to the city will also be included later in the project, God willing. According to the agreement with the implementing company, the project is expected to be completed before the end of the year.

Strategic Projects and Property Rights

Q: The [Haydariyah project](#), estimated at USD 40 million, is considered an important model for real estate development. What guarantees are being provided to original property owners to safeguard their rights, how will they be compensated, and what is the financing model?

The Haydariyah project is the first pilot model for reconstruction in Aleppo, and its success will pave the way for wider application in other destroyed neighborhoods of the city. It is grounded in a sound legal framework, as the land belongs to the municipality, with specialized committees formed to study the situation. The aim is to achieve justice by compensating rightful owners and restoring their rights through clear legal and regulatory procedures. The project stands as a forward-looking model that will contribute significantly to rebuilding Aleppo and modernizing its neighborhoods.

Q: Aleppo has a long-standing industrial and commercial heritage. What steps is the governorate taking to attract local and foreign investments, what incentives are being offered to investors, and will a comprehensive investment plan be published?

Since the start of the recovery phase, the governorate has worked to create favorable conditions for investment by simplifying procedures with public authorities, ensuring access to financing, and providing administrative and legal support. It has also offered opportunities in real estate and production facilities, while ensuring access to essential services such as electricity, water, and maintenance. The governorate continues to promote Aleppo's advantages to attract both local and expatriate investors, encouraging them to contribute to economic development. A first package of more than 13 notable investment projects has already been announced, and additional projects will follow.

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 Ltd.)

[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)

[Syrian Mercenaries in Ukraine](#)
(Observatory of Political and Economic Networks)

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