

Syria Under the New Authorities: Financial, Institutional and Livelihood Stakes

Policy Brief

Samir Aita

ISSAM FARES INSTITUTE FOR PUBLIC POLICY & INTERNATIONAL AFFAIRS
معهد عصام فارس للسياسات العامة والشؤون الدولية
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ABOUT THE AUTHOR

President of the “Cercle des Economistes Arabes”. Former Editor in Chief and General Manager of “Le Monde diplomatique éditions arabes”. Lecturer of political economy at the Universities of Paris Dauphine, Paris II Sorbonne, and Saint Joseph, Beirut. Senior consultant in Economy, finance, labor and urban planning. Editor at Al Shorouq Newspaper Egypt.

Started his career at the “Commissariat à l’Energie Atomique”. He served as Chairman and CEO of “Framasoft”, then special advisor to the Chairman and CEO of SGBL bank in Beirut, technical director at the ERF, the “Economic Research Forum” in Cairo.

Born in Damascus (Syria); Studied at Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées; Postgraduate from the “Ecole Pratique des Hautes Etudes en Sciences Sociales”, the “Institut National des Sciences et Techniques Nucléaires” and HEC Executive Management (CPA-HEC).

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SUMMARY

Nearly two years after the fall of Assad, Syria's economy is starting to move again. Sanctions have been lifted, foreign investors are announcing projects, and good rains in 2026 brought a much better harvest. But most Syrians have not yet seen their lives improve. Banks are barely lending, many important economic decisions are taken behind closed doors, and the cost of living keeps squeezing families.

Three problems stand in the way, and they feed each other.

- Too much power, too little oversight. New funds, agencies, and ministries have been given wide control over money and public assets, but they tell the public very little. Projects worth billions of dollars are announced without published contracts, without open competition, and without saying who carries the risk if things go wrong.
- A recovery that leaves many behind. Rising prices, higher rents, and expensive electricity and energy are eating into incomes. Farmers and factory owners cannot get loans and face high costs. War damage and access to help from Damascus vary greatly from one town and governorate to another.
- A banking system that does not work. Public salaries are paid through a mobile wallet called ShamCash, while people can only withdraw small amounts from their bank accounts. More and more Syrians use cash and US dollars to pay for things and to save. Until people trust banks again and banks have enough capital, they cannot lend to businesses, farms or home buyers.

The biggest obstacles are now inside Syria. Lifting sanctions opened a door. Walking through it requires that Syrians trust their currency, their banks and their institutions, and believe that resources are shared fairly. Without that, large investments may enrich a small group while most families keep living on cash and on money sent by relatives abroad.

Five steps should come first:

1. Make the Sovereign Fund, the Development Fund and every other self-governing authority report to the public and to parliament, have their accounts checked by independent auditors, and publish each year their accounts and the list of assets they hold.
2. Put ShamCash fully under the central bank's licensing rules, publish who owns it along with its audited accounts, let public employees receive their salaries through any licensed bank or wallet, and publish the central bank's own accounts regularly.
3. Lift the limits on bank withdrawals following a rapid timetable announced in advance and linked to an independent check of each bank's financial health.
4. Publish every investment contract above a set value, stop handing out contracts in strategic sectors without competition, and pass a public procurement law with an independent body to hear complaints.
5. Protect incomes and jobs in productive sectors, respect housing tenure and property rights, and share reconstruction money fairly between governorates based on measurable needs.

1. THE BACKGROUND: OPEN TO THE WORLD, BLOCKED AT HOME

Syria's relations with the outside world have changed faster than things at home. The United States repealed the Caesar Act[1] through its 2026 defense budget law (the National Defense Authorization Act), signed on 18 December 2025. This ended the main US sanctions that punished foreign companies for doing business with Syria. Targeted sanctions remain on Assad-era figures, Captagon drug networks and jihadist groups. The repeal also provides for regular reviews[2] on issues such as minority rights and foreign fighters. Syria's central bank has reconnected with the US Federal Reserve through SWIFT, the international bank messaging network, and investors from the Gulf and Turkey have arrived.

The headline figures are improving, but from a very low starting point. After a visit in July 2026, the IMF forecast growth above 10% in 2026[3], thanks to the better harvest, oil and gas, electricity, refugees coming home, and trade. The same IMF team warned[4] that inflation was rising again, that many people were not feeling the recovery, and that poverty is still widespread. It also noted that Syria remains on the "grey list" of the Financial Action Task Force (FATF), the international body that monitors money laundering, which makes foreign banks wary of dealing with the country. The World Bank puts the cost of rebuilding at about $216 billion[5], half of it for physical damage. The UN humanitarian office (OCHA) says 15.6 million people[6] need humanitarian aid in 2026, while the World Food Programme has had to cut food aid[7] for lack of funding.

The new authorities have chosen to rebuild mainly through private investment, rather than through public borrowing or foreign aid. This makes three questions crucial. Who chooses the projects? Who gets public assets? And who will pay in the end?

How economic power works today:

- Most laws are made by presidential decree under the Constitutional Declaration of March 2025, and there is no constitutional court to review contested decrees. Some rules have even been issued by the General Secretariat of the Presidency[8], outside any legal framework. This is how electronic payments were legalized, for example.

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1 Curtis, Mallet-Prevost, Colt & Mosle LLP, "U.S. Repeals the Caesar Act in Latest Move to Ease Syria Sanctions," December 19, 2025, https://www.curtis.com/our-firm/news/u-s-repeals-the-caesar-act-in-latest-move-to-ease-syria-sanctions.

2 Sara Ruthven, "Trump Signs Bill That Includes Repeal of Caesar Act Sanctions on Syria," The National, December 17, 2025, https://www.thenationalnews.com/news/us/2025/12/10/syria-caesar-act-repeal/.

3 Enab Baladi, "IMF: Syria's Economy Could Grow by More Than 10% in 2026," August 2026, https://english.enabbaladi.net/archives/2026/08/imf-syrias-economy-could-grow-by-more-than-10-in-2026/.

4 International Monetary Fund, "IMF Staff Concludes Staff Visit to Syria," August 4, 2026, https://www.imf.org/en/news/articles/2026/08/03/pr26272-syria-imf-staff-concludes-staff-visit.

5 World Bank, "Syria's Post-Conflict Reconstruction Costs Estimated at $216 Billion," October 21, 2025, https://www.worldbank.org/en/news/press-release/2025/10/21/syria-s-post-conflict-reconstruction-costs-estimated-at-216-billion.

6 United Nations Office for the Coordination of Humanitarian Affairs, "Syrian Arab Republic," n.d., https://www.unocha.org/syrian-arab-republic.

7 European Union Agency for Asylum, "Country Focus: Syria — Socio-economic Situation with a Focus on Damascus City," n.d., https://www.euaa.europa.eu/print/pdf/node/31832.

8 Rebuilding Syria, "Syria Adopts National Electronic Payment System Under Presidential Decision 1124," August 18, 2026, https://www.rebuilding-syria.com/blog/syria-adopts-national-electronic-payment-system-under-presidential-decision-1124.

- Economic institutions have been rebuilt around the presidency, often by creating new independent bodies instead of reforming the existing ministries.
- Reliable data is scarce. The IMF notes that the poor state of economic and financial statistics still makes a detailed assessment difficult. This also makes it harder for the public to hold officials to account.

2. MONEY AND BANKS: CASH AND DOLLARS ON ONE SIDE, STALLED BANKS ON THE OTHER

Syrians now live with three payment systems at once: Syrian pounds held in banks, which can only be withdrawn in small amounts; public payments made through ShamCash; and large amounts of dollar and Syrian pound cash circulating outside the banks. What began as an emergency fix risks becoming a lasting obstacle to a normal financial system.

2.1 ShamCash: Digital Payments without Proper Rules

In April 2025, the Finance Ministry ordered that public salaries be paid through ShamCash from May onward. This mobile wallet had already been used under the former administration in Idlib, which was historically tied to Syria's informal hawala network[9], a traditional way of moving money through trusted brokers rather than banks. At first, people collected their cash through two money transfer companies, Al-Haram and Al-Fouad. Salaries were thus moved out of the normal banking system before anyone had made clear who owned ShamCash or which rules it followed.

The problems go deeper than technical glitches.

- **No clear license.** For more than a year, a wallet paying around 1.25 million public employees was not clearly licensed or supervised as a payment company. Only in mid-2026 did reports suggest that ShamCash was moving to meet the central bank's demands for a license and more transparency, after the central bank had reportedly tried to shut the app down[10]. Who owns it, how much capital it has, where users' money is kept, and how they are compensated when something goes wrong have never been made public.
- **Unreliable service.** A major outage in March 2026 left users unable to access their money for hours. Users complain[11] of accounts frozen without explanation, scams, and poor customer support.
- **Personal data at risk.** A single company, whose workings are unclear, now holds the identity and income details of everyone who works for the state. Syria has no data protection law and no independent body watching over this.
- **Banks pushed aside.** By paying salaries outside the banks, the state took away the one regular flow of deposits that could have helped banks rebuild their everyday services.
- **Unlawful withdrawal fees.** Public employees collect their ShamCash salaries in cash through a growing network of money transfer companies, which charge a fee for this. These fees have no legal basis, and they cut into employees' pay.

9 Middle East Institute, "The Economics of Hayat Tahrir al-Sham," n.d., https://mei.edu/publication/economics-hayat-tahrir-al-sham/.

10 Al-Modon, "'Sham Cash' Complies with Central Bank Demands: Licensing the Application and Transparency," July 7, 2026, https://sl1nk.com/daeypmz

11 Mahdi Krayem, "Syrians Push Back Against 'Sham Cash' App Failures," SMEX, March 26, 2026, https://smex.org/syrians-push-back-against-sham-cash-app-failures/.

ShamCash could help more people use digital payments. But without a license, open ownership, protection for customers, and the freedom to choose another bank or wallet, it also puts public wages and sensitive personal data in the hands of one operator.

This raises fair questions. Is ShamCash just an emergency payment tool, or is it turning a parallel financial system built during the war into a permanent one? Where is the money behind ShamCash balances actually held, and in which institutions? And who supplies cash to Al-Haram, Al-Fouad, and the other withdrawal agents, and how are their accounts settled?

A better option is regulated competition. Public employees should be free to receive their pay through any licensed bank or compatible wallet. The state and the companies involved, not the employees, should pay for cash withdrawals, with published fees and consumer protections. The central bank's job would be to supervise risks to banks and to the payment system, not to pick a single operator or manage every transaction itself.

2.2 Cash Shortage and Stalled Banks

The cash shortage was a deliberate policy choice. From early 2025, daily withdrawal limits of around 200,000 old Syrian pounds (about $20) made it hard for households and businesses to withdraw their own money from the bank. These limits helped keep the exchange rate steady, but they also damaged trust in banks, disrupted payments, and slowed down economic activity. At the end of 2024, according to the central bank, the Syrian pound notes in circulation were worth about $2.4 billion, while deposits in public and private banks together came to only around $570 million.

Syria's public and private banks held up remarkably well through 14 years of heavy sanctions and a collapsing currency. Since 2019, part of their foreign currency has been stuck in Lebanese banks. In 2026, the central bank ordered them to set aside reserves covering 100% of these sums within six months, without consulting Lebanon's central bank. This turned a problem located abroad into a direct threat to the banks' capital[12]. The banks have now almost dealt with it. But the several billion dollars that Syrian individuals and companies still have deposited in Lebanon are being ignored.

Some banks now face a question of survival, not just a cash shortage:

- **Foreign partner banks.** Lifting sanctions does not automatically bring back the foreign "correspondent" banks that Syrian banks need to make international payments. Global banks still carry out very thorough checks[13], and Syria remains on the FATF grey list.
- **No lending.** With deposits rationed and capital uncertain, banks lend almost nothing to industry, agriculture, or housing.
- **Profits on paper.** Banks' reported profits come mostly from revaluing their assets, not from real cash earnings.

The IMF has called[14] for new laws on the central bank and on banking, and for a review of the banks' financial health. Neither the IMF nor the World Bank[15] has spoken directly about ShamCash. Yet the IMF's

12 Noon Post, "The Frozen Deposits: Syria's Banking Sector Is Facing Its Toughest Test Yet,"n.d.,https://www.noonpost.com/en/363310/.
13 The New Arab, "Caesar Act Repeal Revives Syria's Hopes but No 'Magic Solution'," n.d.,https://www.newarab.com/news/caesar-act-repeal-revives-syrias-hopes-no-magic-solution.
14 International Monetary Fund, "IMF Staff Concludes Staff Visit to Syria," August 4 ,2026, https://www.imf.org/en/news/articles/2026/08/03/pr26272-syria-imf-staff-concludes-staff-visit.
15 World Bank, "Syria: Macro-Fiscal Assessment," June 2025, https://documents1.worldbank.org/curated/en/099844407042516353/pdf/IDU-6adac64c-c9b1-472e-8183-ae600f64fa78.pdf.

statements of February and August 2026 stress the urgent need to repair Syria's banking and payment systems, strengthen central bank supervision and get banks lending again. These goals are hard to square with the government's continued use of ShamCash to pay public salaries outside the banks, as well as commercial payments.

A Qatar-funded review of the banks, still not made public. On 17 April 2026, Syria signed an agreement for a review of its financial sector[16] with the Qatar Fund for Development and the consulting firm Oliver Wyman[17], with support from the US Treasury and the World Bank. The review is understood to cover the banks, the central bank and other financial companies. Its findings and a reform plan were discussed at a Qatar-led meeting[18] in September and at a US Treasury meeting in October[19]. Yet as of 1 November 2026, nothing has been published: not the method, not the findings for each bank, and not a firm timetable for reform. Publishing at least a summary, the safeguards and the main reform steps would let Syrians examine choices that affect their savings and public assets.

The authorities could publish a non-confidential summary of the review, an agreed timetable for restructuring the banks, and overall figures for the sector. Independent banks and professional associations should help design workable restructuring plans and trial schemes for lending to small and medium-sized businesses, while the regulator remains responsible for protecting deposits and for risks to the system as a whole.

2.3 The New Pound and the Slide Toward the Dollar

The new Syrian pound, with two zeros removed, came into use on 1 January 2026[20]. The changeover went smoothly. About 80% of old notes had been exchanged by July, and the old notes stopped being legal money at the end of that month. They can now only be exchanged at the central bank[21]. In October 2026, the new pound traded at around 140 to the US dollar[22]. In April 2026, the central bank also launched an electronic currency and gold market in Damascus, to give everyone the same reference price.

But new banknotes do not create trust. Several trends are pushing the economy toward the dollar in practice:

- Prices in dollars. Since the Assad-era ban on dealing in foreign currency was lifted, clothes, electronics, furniture, and above all rents are often priced in dollars, while wages are still paid in pounds[23].
- Savings and money from abroad. Families keep their savings in dollar notes. Money sent by relatives abroad is the main source of cash, and it arrives mostly through exchange offices.

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16 Syrian Arab News Agency, "Syria Signs Agreement for Review of Its Financial Sector," n.d., https://sana.sy/en/economic/2311132/.

17 Oliver Wyman, "Oliver Wyman: Impact-Driven Strategy and Consulting," n.d., https://www.oliverwyman.com/.

18 Qatar Fund for Development, "QFFD and IsDB Advance Coordinated Support for Syria's Financial-Sector Transformation on the Margins of UNGA81," n.d., https://www.qatarfund.org.qa/project/qffd-and-isdb-advance-coordinated-support-for-syrias-financial-sector-transformation-on-the-margins-of-unga81/.

19 Syrian Arab News Agency, "Syria, U.S. Discuss Banking Sector Rehabilitation, Global Financial Ties,"n.d., https://sana.sy/en/economic/2347556/.

20 IntelliNews, "Syria Rolls Out New Currency in Redenomination Push," n.d., https://www.intellinews.com/syria-rolls-out-new-currency-in-redenomination-push-418039/.

21 Enab Baladi, "Syrian Central Bank Ends Debate: Old Pound Invalid After July," July 2026, https://english.enabbaladi.net/archives/2026/07/syrian-central-bank-ends-debate-old-pound-invalid-after-july/.

22 SP-Today, "US Dollar Live Exchange Rate in Syria," n.d., https://sp-today.com/en/currency/us-dollar.

23 Rozana, "Dollar Pricing, Syrian Pound Wages: A Formula Draining Syrians' Pockets," n.d., https://www.rozana.fm/english/article/125697-dollar-pricing-syrian-pound-wages-a-formula-draining-syrians-pockets.

- **Traders' distrust.** Shopkeepers refused old notes even before the official deadline, signaling wider distrust of the national currency.
- **More dollars going out than coming in.** Syria spends far more foreign currency than it earns, and official reserves are small: about $1.1 billion in December 2024, with no figures published by the central bank since. So the pound's value depends on rationing cash, not on the strength of the economy[24].

Money sent from abroad seems to have grown in 2025 and 2026. It helps families buy imported goods, but it also deepens their dependence on the dollar. A harmful split is emerging: wages and public payments are in pounds, while many prices, savings and large purchases are in dollars. As a result, workers carry most of the risk when the pound loses value.

Confidence in the Syrian pound must be restored, and licensed banks and exchange offices should be allowed to compete under clear, public reporting rules.

3. INSTITUTIONS: MORE INDEPENDENCE, LESS ACCOUNTABILITY

The new authorities have reorganized the state's economic machinery using the same legal formula again and again: a new body with "legal personality and financial and administrative independence", attached to the presidency or to an authority whose head it has chosen. Each of these bodies might be justified on its own by urgency or efficiency. Taken together, they move control of public assets, revenues and contracts away from the budget, the cabinet and parliament, and into a circle around the presidency that faces little public scrutiny.

3.1 The Sovereign Fund and the Development Fund

Decree 113 of July 2025 created a Sovereign Fund[25] attached directly to the presidency, whose board and director-general are appointed by presidential decree. Officially, its task is to turn "inactive" state assets into investments. In practice, the fund has taken over public assets as well as assets seized from, or obtained through deals with, businessmen close to the Assad regime. The Financial Times reported[26] that the *"fund's assets were valued at $50bn last year by the finance minister"*. A separate Syrian Development Fund[27], launched in September 2025, is meant to finance infrastructure and has promised to disclose how every pound is spent. It received only a small part of the seized assets.

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24 The Syrian Observer, "The Eroding Lira and a Scorched Market: Syria's Search for Monetary Recovery," n.d., https://syrianobserver.com/syrian-actors/the-eroding-lira-and-a-scorched-market-syrias-search-for-monetary-recovery.html.
25 Enab Baladi, "Al-Sharaa Establishes the 'Sovereign Fund' in Syria," July 2025, https://english.enabbaladi.net/archives/2025/07/al-sharaa-establishes-the-sovereign-fund-in-syria/amp/.
26 Financial Times, "Article page: 7dd72c96-70dc-4d91-ad1c-eff13a54d6c5," n.d., https://www.ft.com/content/7dd72c96-70dc-4d91-ad1c-eff13a54d6c5.
27 Enab Baladi, "Al-Sharaa Launches Syrian Development Fund," September 2025, https://english.enabbaladi.net/archives/2025/09/al-sharaa-launches-syrian-development-fund/.

The problem lies in how these funds are held to account:

- **They answer only to the president.** The founding decree requires quarterly and annual reports to the presidency, which makes the president the only real check[28]. The only other safeguard is an independent financial audit[29], and its results are not published.
- **A questionable legal basis.** Lawyers and economists have argued that, under the Constitutional Declaration and during a transition, the president does not have the power[30] to create such a body or to dispose of public assets without involving ministries, parliament or the public.
- **Unclear leadership.** When the fund was created, no decree publicly named its board or director-general. Media reports linked a sanctioned figure, Ibrahim Succarieh ("Abu Mariam al-Australi")[31], to its day-to-day management, while state media in 2026 named Tourism Minister Mazen al-Salhani as chairman. On 18 October 2026, Omar Al-Halabi[32], formerly with KPMG in Saudi Arabia, was named "adviser for economic affairs to the presidency of the republic" and "chairman of the board of directors of the Sovereign Fund".
- **A "black box".** Syrian economists use this phrase for the fund[33] because so little is known about its assets, its deals, and how it is supervised.

The legal status of the assets moved to the Sovereign Fund also needs to be cleared up. Seized properties, sums recovered through negotiation, and company shares obtained in deals with businessmen linked to the former regime do not automatically become state property in law. The deals, valuations, ownership claims, and ways to appeal have mostly not been published. Owners, employees and local communities may therefore doubt whether these transfers were legal or fair. This uncertainty breeds mistrust and disputes, and it can put off investors who fear lawsuits later on. A public register of assets should separate what definitely belongs to the state from what is disputed or held only temporarily, while protecting confidential personal information. Disputed titles and settlement terms should be reviewed independently, with a fair appeals process.

Two more points stand out:

- **Size.** The fund[34] manages a large share of Syria's private and public wealth, including companies, factories, property and shares in banks taken back from former regime networks. In February 2026, it signed an $800 million agreement with Saudi Arabia's STC to build Silklink[35]: 4,500 kilometers of

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28 The Syrian Observer, "The Illusion of Reform: Authority Without Accountability in Post-War Syria,"n.d., https://syrianobserver.com/syrian-actors/the-illusion-of-reform-authority-without-accountability-in-post-war-syria.html.

29 Noon Post, "Article page: 385993," n.d., https://www.noonpost.com/en/385993/amp/.

30 The Syrian Observer, "Legal and Economic Backlash Against Presidential Decrees Issued by Syria's Transitional President," n.d., https://syrianobserver.com/society/legal-and-economic-backlash-against-presidential-decrees-issued-by-syrias-transitional-president.html.

31 The Syrian Observer, "Abu Mariam al-Australi and Syria's Sovereign Fund: A De Facto Director Without a Published Appointment," n.d., https://syrianobserver.com/syrian-actors/abu-mariam-al-australi-and-syrias-sovereign-fund-a-de-facto-director-without-a-published-appointment.html.

32 Arab News, "Syria Names Chairman of Sovereign Wealth Fund," n.d., https://www.arabnews.com/middle-east/syria-names-chairman-of-sovereign-wealth-fund-3007002.

33 Al-Monitor, "Syria's New Leaders Seek Investment, but at What Cost?", July 2026, https://www.al-monitor.com/originals/2026/07/syrias-new-leaders-seek-investment-what-cost.

34 Syrian Sovereign Fund, "Syrian Sovereign Fund — Official Website," n.d., https://ssf.gov.sy/en.

35 Submarine Networks, "Stc Group Signs Agreement to Implement SilkLink Project in Syria," n.d., https://www.submarinenetworks.com/en/systems/asia-europe-africa/silklink/stc-group-signs-agreement-to-implement-silklink-project-in-syria.

fiber-optic network, data centers and landing stations for international undersea cables. On 31 August 2026, it signed a $7 billion "New Damascus" property deal[36] with the UAE developer Arada[37]. Its deputy head has said that full transparency is not possible at this stage[38].

- **Changing hats.** The Development Fund's[39] first director-general, Mohammad Safwat Raslan, was appointed governor of the central bank[40] in May 2026. This blurs the line between the funds and the authority in charge of the currency.

3.2 Ministries and Authorities Declared Independent

The same formula has spread across the state.

Body	Created by	Status	Why it Matters
Sovereign Fund	Decree 113 (July 2025)	Financially and administratively independent; reports to the presidency	Public assets managed outside the budget and parliament
Syrian Development Fund	Decree 112 (2025)	Same formula	Donations and loans kept outside the state budget
Ministry of Energy	Decree 150 (September 2025)	Merges the oil, electricity, and water ministries; independent status	Oil, gas and power revenues kept apart from the budget
General Authority for Ports and Customs	Presidential decree (2025)	Independent; controls borders, ports and customs	Trade policy and customs revenue concentrated in one office
Supreme Council for Economic Development	Decree 115 (July 2025)	Body under the presidency	Overlaps with the economic ministers in the cabinet

Sources: Enab Baladi[41], Syrian Observer[42], Syrian Observer[43].

36 Arabian Business, "UAE Developer Arada Enters Syria with $7bn New Damascus City, Including 11,000 Homes," n.d., https://www.arabianbusiness.com/real-estate/uae-developer-arada-enters-syria-with-7bn-new-damascus-city-including-11000-homes.

37 Arada, "Meet Our Leadership Team," n.d., https://www.arada.com/en/leadership-team/.

38 The Syrian Observer, "Syria's Sovereign Wealth Fund Must Not Become a Black Box," n.d., https://syrianobserver.com/society/syrias-sovereign-wealth-fund-must-not-become-a-black-box.html.

39 Syrian Development Fund, "Syrian Development Fund — Official Website," n.d., https://syrfund.gov.sy/en.

40 Syrian Arab News Agency, "President al-Sharaa Appoints New CBS Governor," n.d., https://sana.sy/en/syria/2317006/.

41 Enab Baladi, "Al-Sharaa Establishes General Electricity Generation Company in Syria," September 2025, https://english.enabbaladi.net/archives/2025/09/al-sharaa-establishes-general-electricity-generation-company-in-syria/amp/.

42 The Syrian Observer, "The Establishment of the General Authority for Ports and Customs: How Sharaa Seized Syria's Financial and Border Gateways," n.d., https://syrianobserver.com/?p=98689.

43 The Syrian Observer, "The Illusion of Reform: Authority Without Accountability in Post-War Syria,"n.d., https://syrianobserver.com/?p=96996.

When a ministry has financial independence, its income and spending can stay outside the state's single treasury account. Syria has few resources and needs every dollar from oil, electricity bills and customs duties to pay salaries and run public services. Splitting revenues this way weakens control over spending and means the 2026 budget shows only part of the state's finances. The head of Ports and Customs was reportedly issuing import and export rules even before his authority legally existed, stepping on the toes of other ministries.

3.3 Decisions made Behind the Scenes

Alongside the official institutions, a parallel chain of command over the economy has been documented. A Reuters investigation[44] in July 2025 described an economic committee overseen by the president's brother, Hazem al-Sharaa. It negotiated deals with Assad-era businessmen and reorganized control over companies and assets, while financial officials from the former Idlib administration had a say in central bank and banking decisions. Since then, the authorities have given the Sovereign Fund a more formal structure and published the names of several of its managers. But the boundaries between the settlement committees, the fund and the ministries are still undefined.

Investors and civil servants alike know the results: decisions announced by decree without consultation, ministers left out of decisions in their own sectors, and a system where being close to the presidency counts for more than following the rules.

3.4 Contracts signed without Transparency

Since May 2025, the authorities have announced large projects, including a proposed $7 billion electricity investment led by Qatar's UCC Holding, a long-term deal for Dubai Ports World to run a port, and major telecom and property projects. These announcements are not all the same. Some are memoranda of understanding (MoUs), which state an intention and are not legally binding. Others are actual contracts or concessions. They should not be treated as if they committed anyone in the same way.

The international loans behind Syria's big infrastructure projects also raise questions about transparency and about what the state may end up owing. In July 2026, Bloomberg reported[45] that JPMorgan, Qatar National Bank and Abu Dhabi Commercial Bank were arranging a $7 billion loan for electricity and airport projects run by a Qatari-led group of companies[46]. The loan was reportedly guaranteed by Qatar National Bank, whose main shareholder is the Qatar Investment Authority. On 17 October 2026, the Syrian newspaper Al-Watan reported[47] that JPMorgan had approved a larger loan of about $11.5 billion, still awaiting final signature. Neither the revised loan agreement nor the details of the guarantees have been made public. The borrower is said to be the foreign group of companies, not the Syrian state. Even so, it is unclear what the Syrian government may have to pay over the long term, for example under agreements to buy electricity, airport concessions, or other guarantees. Such commitments could weigh heavily on public finances in the future, even without a loan taken directly by the state.

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44 Reuters, “Syria Is Secretly Reshaping Its Economy. The President’s Brother Is in Charge,” July 24, 2025, https://www.reuters.com/investigations/syria-is-secretly-reshaping-its-economy-presidents-brother-is-charge-2025-07-24/.

45 Enab Baladi, “JPMorgan’s $7 Billion Financing for Syria’s Largest Deal,” August 2026, https://english.enabbaladi.net/archives/2026/08/jpmorgans-7-billion-financing-for-syrias-largest-deal/.

46 UCC Holding, “Media Release: Item 78,” n.d., https://uccholding.com/media/read/78.

47 Al-Watan, “‘JPMorgan’ Approves Financing for Syrian Projects Worth $11.5 Billion,” n.d.,https://alwatan.sy/%D8%AC%D9%8A%D9%87-%D8%A8%D9%8A-%D9%85%D9%88%D8%B1%D8%BA%D8%A7%D9%86-%D9%8A%D9%82%D8%B1-%D8%AA%D9%85%D9%88%D9%8A%D9%84%D9%85%D8%B4%D8%A7%D8%B1%D9%8A%D8%B9%D8%B3%D9%88%D8%B1%D9%8A%D8%A9-%D8%A8/.

- **Intentions presented as investment.** Most announcements are MoUs, not binding contracts, and many have not been carried out[48].
- **Contracts without competition.** The Syrian Petroleum Company approved a $184.8 million contract for crude oil storage with a recently created Gulf company with little capital[49], paying $27.7 million up front, without any public tender.
- **Little-known partners.** Several companies awarded contracts have little experience. The terms, the prices, and the criteria used to choose them are not published. Such practices create difficulties for international institutions, including the World Bank, that are committed to supporting Syria's recovery through grants and loans while upholding transparency and accountability standards.
- **City land at stake.** Private projects in crowded neighborhoods have gone ahead with little consultation of residents, on land taken for public use. This recalls the Assad-era Marota City project[50].

After media reports, the General Secretariat of the Presidency ordered a nationwide review of dormant MoUs, asking for progress reports and canceling deals that had gone nowhere. The next step should be to publish, as a matter of routine, what was signed, what has been done, and what each project costs the public.

The private sector does not have to wait for a full overhaul of central institutions. Business associations, chambers of industry and banks could adopt and publish their own standards for disclosing investments, run open platforms for choosing suppliers, and help finance local infrastructure and services for businesses. For public concessions, however, the duty to hold fair tenders, publish terms, and review hidden future costs to the state must remain a public responsibility that can be enforced. Decentralization should mean open competition and local initiative. It should not mean moving secret decision-making from Damascus to local middlemen who answer to no one.

4. DAILY LIFE: GROWTH THAT FAMILIES DO NOT FEEL

The economy is growing again from a very low level, but daily life remains hard. Many prices follow the dollar while wages are paid in pounds. Local producers face costly energy and cheap imports, and housing is becoming unaffordable.

4.1 Prices and Purchasing Power

Inflation slowed considerably in 2025, helped by a stronger Syrian pound and by the severe cash shortage, which held back spending. But this calm was fragile and did not make people better off. For a large part of the population, living conditions are worse[51] than they were under sanctions before Assad's fall.

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48 Al Majalla, “Syria’s Obstacles to Investment Are Many,” n.d., https://en.majalla.com/node/328351/business-economy/syrias-obstacles-investment-are-many.

49 The Syrian Observer, “Syrian Petroleum Company Approves $184.8M Direct Contract with Capital-Light Firm, Including $27.7M Advance Payment,” n.d., https://syrianobserver.com/society/syrian-petroleum-company-approves-184-8m-direct-contract-with-capital-light-firm-including-27-7m-advance-payment.html.

50 The Century Foundation, “Syria’s Reconstruction Risks Cutting Out the Syrian People,” n.d., https://tcf.org/content/commentary/syrias-reconstruction-risks-cutting-out-the-syrian-people/.

51 BBC News, “BBC News article (identifier: cmn4egvez1yzo),” n.d., https://www.bbc.com/news/articles/cmn4egvez1yzo.

According to the Syrian Center for Policy Research (SCPR)[52], consumer prices at the end of 2025 were more than eight times higher than in 2021. Inflation picked up again in 2026. Prices rose by 6.5% in February compared with the month before, then by 2.6% in March, 3.5% in April and 6.0% in May. In June, they were 40.5% higher than a year earlier. SCPR points to higher fuel and transport costs, higher electricity prices, rising rents, swings in the exchange rate, and supply problems, worsened by regional instability and more expensive imports. Prices fell by 1.9% in July but were still 24.8% higher than a year before. High prices, low wages and the lack of cash in banks continue to eat into what families can afford and to hold back the recovery.

What hurts households most is the gap between prices in dollars and incomes in pounds. Rents, household goods and many services are now priced in dollars, while public salaries, pensions and most private wages are paid in pounds and rarely raised, with many reports of delays in their effective payment. Every fall in the pound goes straight into the cost of living. The end of subsidies and steep rises in electricity prices have added to the pressure. According to the World Food Programme (WFP)[53], food security improved slightly in 2025: the share of Syrian households with secure access to food rose from 11.1% in 2024 to 18.4% in 2025. Yet more than 80% of households still struggled to meet their food needs consistently without resorting to coping strategies such as skipping meals, borrowing money, or selling possessions. Conditions were particularly difficult for displaced families and households in the northeastern governorates. Despite some improvement, hardship remains widespread, and remittances from relatives abroad continue to provide a crucial source of income for many households.

4.2 Factories and farms

Industry. After December 2024, Syria opened its market to foreign goods, at first without any customs duties. Imports from Turkey, China and elsewhere poured in, most of them legal, some smuggled. Turkey has gained the most, as the Syrian pound rose by around 40% against the Turkish lira. Syrian producers face higher costs[54]: industrial electricity costs around 27 US cents per kWh, raw materials are imported at dollar prices, and loans are unavailable. Factory owners in Damascus, Aleppo and Daraa report closures in textiles, food processing and cleaning products. One workshop owner in Aleppo estimated that most of the city's small factories had stopped working[55]. Chambers of industry say their requests for protection from imports and cheaper energy have gone unanswered, and some manufacturers are turning into importers[56]. The danger is an economy where reconstruction is supplied by imports instead of creating jobs in Syria.

Where Syrian firms have shown they can produce and employ people, an open review of customs duties could allow moderate, temporary duties on competing imports. These should have clear end dates (for example, after 18 to 24 months), regular checks on their effects on costs and consumer prices, and exemptions for essential machinery, raw materials, and scarce inputs.

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52 Syrian Center for Policy Research, “Monthly Bulletin for Consumer Price Index and Inflation in Syria, Issue 12 — December 2025,” December 2025, https://scpr-syria.org/publications2/bulletins/monthly-bulletin-for-consumer-price-index-and-inflation-in-syria-issue12-december-2025/.

53 World Food Programme, “Situation Reports: Syria, 2020–Present,” n.d., https://www.wfp.org/publications/syria.

54 Enab Baladi, “Textile Workshops Cease Operations in Syria,” February 2025, https://english.enabbaladi.net/archives/2025/02/textile-workshops-cease-operations-in-syria/.

55 North Press Agency, “North Press Agency article 122825,” n.d., https://npasyria.com/en/122825/.

56 Enab Baladi, “Economic Turmoil Weakens Industry in Syria,” May 2025, https://english.enabbaladi.net/archives/2025/05/economic-turmoil-weakens-industry-in-syria/.

Agriculture. The 2025 season was the worst in decades. Cereal production[57] fell to about 1.2 million tons, more than 60% below average, and wheat grown without irrigation was almost entirely lost. Heavy rain from December 2025 changed the picture. The UN Food and Agriculture Organization (FAO) expects[58] 2026 wheat production of 2.7 million tons, the highest since 2020, and the state grain agency says it bought enough to avoid imports this season[59]. But this rebound is due to the weather, not to lasting improvements. Irrigation networks, seed supply, access to fuel and fertilizer, and loans for farmers are all still in poor shape. Before the war, production averaged 4.1 million tons. A single dry year would leave the sector exposed again, and severe food insecurity remains a serious concern.

Farmers have also been paid little and late. In May 2026, the government first set the price of top-grade durum wheat at about $337 per ton, later raising it to about $403 through an extra payment. Farmers said this still did not cover the cost[60] of irrigation, fuel and other inputs. FEWS NET reported[61] delays after delivery. In August, payments started at only 25% of what farmers were owed, with the rest postponed; by 17 August, only 31% of farmers in Raqqa had been paid. This left growers short of cash to repay debts and prepare for the next season.

4.3 The Housing Shortage and Unauthorized Building

Housing has become one of the most visible problems for city dwellers, as more and more people are returning from asylum and displacement, and as rural-urban migration continues to accelerate. Around 1.32 million homes are estimated to be damaged. The Ministry of Public Works and Housing[62] put the housing shortage at about 1.9 million homes in 2025, rising to 2.5 million by 2030 if building does not speed up. Refugees and displaced people coming home, along with the near absence of home loans, have pushed rents up. Average rents in Damascus are above $300 a month, well beyond a typical public sector salary, and little is available outside informal areas.

Families have responded by adding floors, building on farmland and extending informal neighborhoods, often without permits or proper engineering checks. The former housing minister acknowledged[63] that 3 to 4 million people, nearly a quarter of the population, live in informal settlements, and that the crisis is beyond what the state can handle. This raises urgent concerns:

- **Safety.** Buildings are going up without controls in earthquake zones, sometimes on top of structures damaged by the war.
- **Property rights.** People living in informal housing, many of them displaced or returning without papers, risk eviction when others claim the property or when the land is handed to investors. Plans for eastern Damascus have already alarmed residents.

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57 Food and Agriculture Organization of the United Nations, “GIEWS Country Brief: Syrian Arab Republic,” August 28, 2026, https://www.fao.org/giews/countrybrief/country.jsp?code=SYR.

58 Food and Agriculture Organization of the United Nations, “GIEWS Country Brief: Syrian Arab Republic,” August 28, 2026, https://www.fao.org/giews/countrybrief/country.jsp?code=SYR&lang=EN.

59 World Grain, “Syrian Wheat Harvest Reaches Self-Sufficiency,” n.d., https://www.world-grain.com/articles/23100-syrian-wheat-harvest-reaches-self-sufficiency.

60 Syrian Center for Policy Research, “Deprivation of Bread and Energy: Policies Deepening Poverty in Syria,” n.d., https://scpr-syria.org/deprivation-of-bread-and-energy-policies-deepening-poverty-in-syria/.

61 FEWS NET, “Economic Constraints and Rising Winter Costs Sustain Crisis (IPC Phase 3) Outcomes,” August 2026, https://fews.net/middle-east-and-europe/syria/food-security-outlook-update/august-2026.

62 Enab Baladi, “Four Paths to Address Syria’s Housing Gap,” September 2026, https://english.enabbaladi.net/archives/2026/09/four-paths-to-address-syrias-housing-gap/.

63 The Syrian Observer, “One Million Homes Destroyed, Quarter of Syrians Living in Informal Settlements, Says Housing Minister,” September 22, 2025, https://syrianobserver.com/syrian-actors/one-million-homes-destroyed-quarter-of-syrians-living-in-informal-settlements-says-housing-minister.html.

- **Land and homes going to the well-connected.** Large projects such as "New Damascus" are aimed at wealthy buyers, while the biggest shortage is in affordable housing. Tens of thousands of cooperative and social housing units are almost finished but are still waiting to be completed and handed over to the families entitled to them. Without a clear legal framework for housing, land and property rights, reconstruction could push the poor out of their homes, as the Marota City project did under the former regime.
- **Public land.** The General Housing Establishment took over land for public use and social housing that is now worth tens of billions of dollars at today's prices, roughly as much as the Sovereign Fund. Yet some of this land is being handed to private projects, without fair compensation for the original owners and without obtaining liquidity to finish the social housing that families have long been waiting for.

4.4 Unequal Regions and Weak Links Between Damascus and Local Authorities

Services and reconstruction support vary widely from one governorate to another. War damage, displacement, access to water, local tax revenue, and trade links all differ, but these differences[64] are not always reflected in a transparent sharing of funds. Farming regions in the northeast face water shortages and late payments. Aleppo and Homs have industrial assets but also heavy damage and housing needs. Communities in the south and on the coast face their own problems with livelihoods and security. Fairness means the same rights and clear rules for everyone, not the same spending everywhere.

A second problem is how decisions are made. Municipalities and governorate offices[65] often know which water network, school, road, or neighborhood needs repair most, but they have small budgets and unclear powers. Ministries in Damascus and the new independent agencies may announce projects without properly consulting local councils, service providers and residents. At the same time, the central authorities lack reliable local data and regular feedback to decide what is most urgent and to check results. Projects may then be chosen because they interest investors, because of political connections, or under emergency pressure, rather than because they meet the greatest social and economic need.

A practical answer is a recovery plan for each region, based on its needs[66]. This would mean publishing how much money each governorate receives and what it achieves; setting up joint investment committees where central government sits with elected or representative municipal members; giving local authorities regular, predictable funding based on poverty, population (including people who have returned), damage and gaps in services; and holding public consultations, with a clear way for people to complain.

Local recovery can move forward even before a full national law on decentralization. Municipalities, cooperatives, neighborhood associations and private service providers could together choose and carry out projects for water, waste collection, markets and repairs, with help from the UN and other international organizations, using standard contracts and published costs. A few pilot municipalities should receive their own budgets, within set limits, and predictable funding, with results published online and checked by independent auditors. Central government would set the standards, the rules for sharing funds fairly and the safeguards, while local actors would choose and monitor projects within those rules.

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64 Gregory Waters, “Local Governance in Post-Assad Syria: A Hybrid State Model for the Future?”, Carnegie Endowment for International Peace, July 2025, https://assets.carnegieendowment.org/static/files/Waters_Local%20Governance%20in%20Post-Assad%20Syria.pdf.

65 SALAR International, “Policy Paper: Making Syrian Local Administration Legible,” February 17, 2026, https://salarinternational.se/salar/aboutus/news/news/policypapermakingsyrianlocaladministrationlegible.94535.html.

66 Jusoor for Studies, “The Crisis of Public Services in Syria Between the Challenges of Economic Recovery and Equitable Local Development,” n.d., https://jusoor.sy/en/details/the-crisis-of-public-services-in-syria-between-the-challenges-of-economic-recovery-and-equitable-local-development.

5. RISKS AHEAD, AND HOW TO REDUCE THEM

These problems feed one another. Weak oversight discourages people from using banks. The shift to cash and dollars weakens banks, including projected new ones. Opening the market to imports without any control holds back Syrian industry. The housing crisis threatens social peace. And worsening living conditions put more pressure on institutions that are already fragile. Good governance is therefore a condition for a recovery that is real, lasting and shared by all.

The main risks in the short term are:

- **Reconstruction captured by insiders.** Strategic assets, land and concessions go to a small circle of people close to the authorities and their foreign partners[67], repeating the Assad-era model with new owners. What can be done: publish an audited list of the assets transferred, disclose the main terms of settlement deals while respecting legitimate confidentiality, and allow independent review of disputed property titles and contracts.
- **Paralyzed banks and a split financial system.** The long cash shortage, limits on withdrawals and growing use of cash and dollars are undermining trust in the Syrian pound and in banks. With banks largely unable to lend and no public plan for reforming them, the parallel cash-and-dollar economy may become permanent, pushing banks further aside and keeping them from financing the recovery. What can be done: ease withdrawal limits, restore trust in bank deposits and bring public payments back into the regulated banking system. Publish the findings and reform plan of the Qatar-funded review of the banks, clarify the roles of the central bank and other financial authorities, and set clear targets for restoring bank equity, deposits and lending.
- **A sudden loss of confidence in the pound.** A shock in the region or in public finances could push the pound down, speed up the move to dollar pricing and damage the credibility of the new currency. What can be done: publish foreign currency reserves and key monetary figures and give people back lawful access to their money in banks.
- **Public money scattered across many pockets.** Off-budget funds and independent ministries keep revenues while the treasury struggles to pay salaries. This creates pressure to print money. What can be done: publish combined accounts for the independent authorities and funds, a list of all state guarantees and payment commitments, and quarterly reports on how the budget is being spent.
- **Social unrest.** Protests in 2026 have already tested the authorities. Rising rents, evictions, and stagnant wages could spread them. What can be done: ensure salaries are paid on time, keep essential services running, support affordable home repairs, and pay farmers what they are owed; allow local relief projects, with monitoring and an easy way for people to complain.
- **Donors and investors pulling back.** Western donors and development banks make their support depend on transparency, and Gulf announcements that never go beyond the MoU stage damage credibility. What can be done: clarify which projects have signed contracts and which are only MoUs, publish progress and tender rules, and prioritize smaller, financially sound projects alongside the big concessions.
- **Regions left behind.** Governorates with less political weight, or with projects less attractive to investors, receive less support even though their needs are greater. This deepens distrust between local communities and the central authorities. What can be done: fund governorates and municipalities according to need, publish how much each receives and what is delivered, and test municipal budgets in a few places, with independent audits.

67 L'Orient Today, "Barrack Reportedly Maintained Financial Interests in Company Linked to Iraq-Syria Pipeline Project," n.d., https://today.lorientlejour.com/article/1550295/barrack-reportedly-maintained-financial-interests-in-company-linked-to-iraq-syria-pipeline-project.html.

All these risks may not necessarily lead to a crisis. But they could lock in the very economic and political system that the transition was meant to replace. How serious they become depends on choices made now. Publishing accounts early, setting predictable financial rules and visibly improving local services would reduce several of these risks at once.

CONCLUSION: REBUILDING TRUST

Syria has a historic chance to rebuild its economy after years of war, sanctions and isolation. But foreign investment and economic growth will not, on their own, guarantee a lasting recovery or better lives for most Syrians.

What matters most now is rebuilding trust: in the national currency and the banks, in public institutions, and in the fair management of public resources. That calls for more transparency, decisions that can be questioned, and a greater say for local authorities and communities in setting their own recovery priorities.

Above all, reconstruction must serve the population as a whole, not a small circle of investors and privileged interests. Reviving local production, protecting livelihoods, providing affordable housing and narrowing the gaps between governorates are essential to this.

Syria's transition should not be judged by the value of investment announcements. It should be judged by whether institutions work again, whether people find productive jobs, whether public services improve and whether all Syrians live better.

Syria needs to move from a crisis economy of cash, favors and divided regions to an economy built on rules, savings, production, citizens' rights and accountable local development. Repairing the financial system without reforming institutions will not win people's trust. Reforming institutions without improving daily life will not keep public support. The two must go together.



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Issam Fares Institute for Public Policy & International Affairs American University of Beirut P.O. Box 11-0236 Riad El-Solh / Beirut 1107 2020 Lebanon

961 - 1 - 350000 ext. 4150

ifi.comms@aub.edu.lb

www.aub.edu.lb/ifi/

aub.ifi

@ifi_aub

Issam Fares Institute for Public Policy & International Affairs IFI

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