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3.1. Economic situation overview

The US sanctions on Syria, progressively isolating the country from the international trade and financial systems since the beginning of the conflict,562 were lifted in May 2025.563 In the same month, the EU lifted its sanctions564 and Syria's arrears to the World Bank were cleared, with financial backing from Saudi Arabia and the State of Qatar.565

Despite these developments, Syria continued to face an economic contraction rooted in years of conflict, reduced agricultural production566 and underfunded humanitarian assistance.567 The Gross Domestic Product (GDP) was projected to contract by an additional 1 % in 2025, following declines of 1.5 % in 2024568 and 1.2 % in 2023.569 External debt remained significant in proportion to the country's limited repayment capacity. Estimates from the new government placed Syria's total external debt between USD 20 billion and USD 23 billion.570 However, the full extent of the Syria's debt was difficult to assess due to the co-existence of recorded and undisclosed financial support over time, with estimates that could reach USD 50 billion.571

In April 2025, the World Food Programme (WFP) reported that cash liquidity remained limited, with continued restrictions on bank withdrawals and disruptions to online payment systems.572 While some electronic payments had resumed, transactions were subject to a daily cap of 1 million Syrian pounds (SYP).573 Additional reporting indicated that both public and private banks have imposed strict daily withdrawal limits not exceeding 200 000 Syrian pounds (equivalent to about USD 20), with higher caps up to 500 000 pounds in limited circumstances. 574 Some banks resumed currency exchange from US dollars (USD) to SYP at the official exchange rate of SYP 12 060 per USD, whereas exchange companies continued to operate based on the parallel market rate, which depreciated from SYP 10 112 per USD to SYP 11 084 per USD between March and April 2025.575 Following the change in government leadership in December 2024, the central bank pledged to adopt a unified official exchange rate for the SYP. 576

According to the UNOCHA, household expenditures continued to exceed income levels, including in households with multiple earners. The depreciation of both SYP and Turkish lira, combined with persistent inflation, contributed to significantly increase the Minimum Expenditure Basket (MEB) and Survival Minimum Expenditure Basket (SMEB).577 This indicator reflected the cost of living that rose by 21 % in 2024 and more than tripled in the last 2 years.578 In Hasaka, Raqqa, Deir Ez-Zor governorates and Manbij subdistrict, it was reported that a worker would require the equivalent of 60 days' wages to afford the SMEB.579 A WFP report in April 2025 noted a spike in bakery bread prices following reductions in subsidies.580 In the same month, the monthly minimum wage of SYP 278 910 covered only 13 % of the MEB.581 The national daily wage for

unskilled labour reached an average of around 43 000 SYP per day[582] and an experienced teacher earned 400 000 SYP (equivalent to USD 40), while an inexperienced teacher earned 300 000 SYP (equivalent to USD 30).[583] Regional disparities persisted.[584]

At the end of March, estimates by the Kassioun newspaper[585] indicated that the minimum monthly cost of living for a family of five in Damascus had reached SYP 8 million (equivalent to USD 666).[586] According to a socio-economic review commissioned in 2024 by the Country of Origin Information Unit of the Austrian Federal Office for Immigration and Asylum, Damascus' overall socio-economic situation was just above the threshold of sustainability.[587]

Fuel prices showed slight declines across both the formal and informal markets.[588] Regionally, diesel prices increased by 6.4 % in Damascus but declined in Aleppo and Hama. Gasoline prices increased moderately in Damascus (4.6 %) and fell in Hama. Domestic gas prices registered a significant drop—by 17.9 % in Hama and 11 % in Damascus—while remaining stable in Idlib.[589]

Three major power generation stations accounting for about 18.25 % of the total national electricity production - Aleppo Thermal Station, the Zayzoun Station in Idlib, and the al-Taim Station in Deir Ezzor - have been destroyed at different times during the conflict.[590] Both returnees and host communities indicated access to electricity as a critical challenge, according to a report by the Norwegian Refugee Council.[591] 81 % of electrical grids in the country were partially damaged, severely affecting economic activities.[592] UNOCHA reported that electricity access remained uneven: while some households depended on the main grid or solar power, 1 in 20 remained entirely without electricity. In Manbij and Kobani alone, over 413 000 people have lost access to electricity due to damage to the Tishreen Dam.[593] In southern and central Syria, the national electricity network remained the main power source for most residents, with the electricity infrastructure being severely affected by the conflict and a prolonged lack of maintenance, repairs, and upgrades. In Homs and Hama, some communities reportedly received electricity for only 45 to 60 minutes every eight hours. Limited access to electricity has influenced some families' decisions to return to Idlib after initially attempting to resettle in southern areas. The lack of reliable electricity also impacted industrial and urban livelihoods, with high generator and electricity costs in industrial zones contributing to increased consumer prices for basic goods.[594] In the governorates of Hasaka, Raqqa, and Deir Ez-Zor and parts of Aleppo, solar-powered households received an average of 13.6 hours of electricity per day, compared to 7.3 hours for households relying on the public grid.[595]

A UNDP report highlighted that energy production in the country has decreased by 80 %, and 70 % of electricity generation stations have been damaged, leading to a 75 % drop in the national grid's capacity.[596] The transitional government implemented several measures to stimulate economic recovery. In April 2025, according to WFP, it implemented a 21 % reduction in electricity prices for the industrial and agricultural sectors, reopened the Baniyas Oil Refinery, resumed phosphate exports and signed a 30-year contract with a French company to renovate and operate the Latakia port.[597]

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