

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 sanctions[564](#) 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 production[566](#) 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 2024 [568](#) 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 Kassoun 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

[562](#)

ODI, Lifting sanctions on Syria: a bumpy path, 20 May 2025, [url](#)

[563](#)

Time (The), Breaking Down Trump's Plan to Lift U.S. Sanctions on Syria, 14 May 2025, [url](#); OFAC, Treasury Issues Immediate Sanctions Relief for Syria, 23 May 2025, [url](#)

[564](#)

Council of the EU, Syria: Council statement on the lifting of EU economic sanctions, 20 May 2025, [url](#)

[565](#)

World Bank, Syria's Arrears to the World Bank Group Cleared, 16 May 2025, [url](#)

[566](#)

Alestiklal, After 14 Years of Decline: Syria Launches New Plan to Revitalize its Agriculture Sector, 1 June 2025, [url](#)

[567](#)

IRC, Syria: The IRC urges increased support as Brussels Conference fails to close humanitarian funding gap, 18 March 2025, [url](#)

[568](#)

World Bank, Syrian Arab Republic Poverty and Equity Brief: April 2025, 30 April 2025, [url](#)

[569](#)

World Bank, Syria: Growth Contraction Deepens and the Welfare of Syrian Households Deteriorates, 24 May 2024, [url](#)

[570](#)

PIIE, Syria needs a debt restructuring, but that will be difficult, 3 March 2025, [url](#)

[571](#)

Karam Shaar Advisory Limited, Syria in Figures, February 2025, [url](#)

[572](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), p. 7

[573](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), p. 1

[574](#)

Strategiecs, Rebuilding the Syrian Economy After a 14-Year Crisis, 4 April 2025, [url](#)

[575](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), p. 1

[576](#)

Reuters, Explainer: Syria's economy: The devastating impact of war and sanctions, 14 May 2025, [url](#)

[577](#)

UNOCHA, Syrian Arab Republic: Humanitarian Response Priorities - January to March 2025 (January 2025), January 2025, [url](#), p. 28

[578](#)

UNOCHA, Syrian Arab Republic: Humanitarian Response Priorities - January to March 2025 (January 2025), January 2025, [url](#), p. 7

[579](#)

UNOCHA, Syrian Arab Republic: Humanitarian Response Priorities - January to March 2025 (January 2025), January 2025, [url](#), p. 28

[580](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), p. 4

[581](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), p. 1

[582](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), p. 3

[583](#)

Enab Baladi, Damascus schools: High costs and favoritism, 3 March 2025, [url](#)

[584](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), pp. 4, 5

[585](#)

Kassioun, [???? ??????: ?????? ?????? ?????????? ?????? ????????? ?????? ????????? ?????????](#), 30 March 2025, [url](#)

[586](#)

Daher, J., , Challenges for Syria's Economic Recovery and Reconstruction Process, ISPI, 18 April 2025, [url](#)

[587](#)

Country of Origin Information Department of the Austrian Federal Office for Immigration, Dossier socio-economic review 2024, n.d., [url](#), pp. 8, 12, 13. To allow an overall quantification and comparability of the general economic situation of households in the surveyed areas a composite indicator for the socio-economic surveys was developed. The index is composed of the following dimensions: housing, food and water, basic

consumer goods, health services, and labour market and allows a categorization of the survey findings, ranging from sustainable to not sustainable.

[588](#)

Logistics Cluster, Syria Logistics Cluster, Meeting Minutes, Damascus, 20 May 2025, [url](#)

[589](#)

Harmoon Center, Harmoon Centre Monitoring Report for April 2025, 30 May 2025, [url](#)

[590](#)

EUI, Syria's Electricity Sector After a Decade of War: A Comprehensive Assessment, 30 July 2021, [url](#), p. 14

[591](#)

NRC, Beyond return: Ensuring sustainable recovery & (re)-integration in Syria, May 2025, [url](#), p. 6

[592](#)

UNOCHA, Humanitarian Response Priorities - January to June 2025, 28 March 2025, [url](#), p. 31

[593](#)

UNOCHA, Syrian Arab Republic: Humanitarian Response Priorities - January to March 2025 (January 2025), January 2025, [url](#), p. 28

[594](#)

NRC, Beyond return: Ensuring sustainable recovery & (re)-integration in Syria, May 2025, [url](#), p. 6

[595](#)

UNOCHA, Humanitarian Response Priorities - January to June 2025, 28 March 2025, [url](#), p. 31

[596](#)

UNDP, The impact of the conflict in Syria, 20 February 2025, [url](#), p. 38

[597](#)

WFP, Monthly Market Price Bulletin Syria, April 2025, issue 124, [url](#), pp. 1, 2