SYRIAN ARAB REPUBLIC

Population[1] million	Poverty[2] millions living on less than $3.00/day
25.6	4.0
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
72.1	81.4
GDP current US$, billion	**GDP per capita** current US$
..	..

Sources: WDI, MFMod, and official data. 1/ 2025. 2/ 2022 (2021 PPPs). 3/ 2023. 4/ 2024.

Syria shows steady signs of economic recovery as sanction relief, national reconciliation, accelerating refugee returns, improved electricity supply, major public-private investment, and substantial reconstruction needs are expected to lift growth. Violence, high living costs, limited aid, banking constraints, and security risks weigh on the outlook. Years of conflict have disrupted statistical systems and data production, increasing uncertainty around economic estimates.

Key conditions and challenges

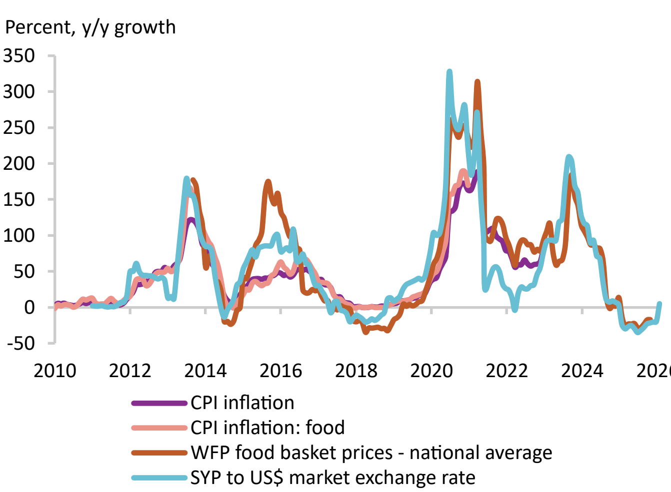
One year after the fall of the Assad regime, Syria continues its steady but fragile transition from conflict. Partial parliamentary elections in October 2025 and the government's January 2026 deal with the Syrian Democratic Forces restored country-wide territorial control and provided a platform for wider reconciliation. Economic activity picked up through 2025 and into 2026 as security improved and sanctions were lifted. At the same time, ongoing localized violence continues to constrain Syria's economy and social cohesion with fatalities rising in 2025 according to Armed Conflict Location and Event Data.

Return movements have accelerated. By March 19, 2026, the United Nations High Commissioner for Refugees estimates that 1.5 million Syrians had returned from neighboring countries since December 2024, while 1.7 million internally displaced people had returned home by February 5, 2026. Meanwhile, Syria's 2025 humanitarian plan is only 35 percent funded, with assistance reaching less than 10 percent of displaced families. The ongoing conflict in the Middle East is exacerbating Syria's energy vulnerabilities, as disruptions to natural gas supplies from Jordan and Egypt have reduced electricity generation and, even if imports resume, higher gas prices are expected to impose significant additional financial losses on the energy sector.

Recent developments

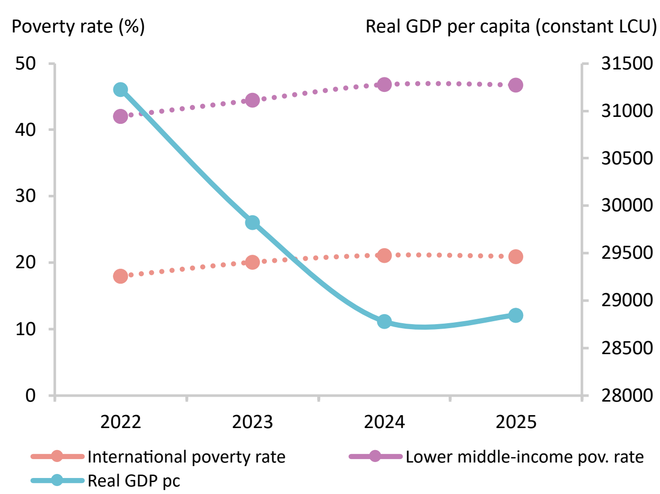
While official data remains limited, and of uneven reliability, high frequency indicators point to an incipient economic recovery. The sum of daily nighttime light intensity rose in 2025, reflecting easing sanctions, renewed trade, higher public sector wages, and refugee returns. Real GDP growth is expected to have strengthened in 2025, with estimates ranging between 2.0–4.0 percent. External connectivity improved markedly: air traffic more than doubled, while port traffic increased over sixfold, albeit from very low levels. Monthly imports through Tartous and Lattakia averaged 300,000 tons, and exports reached 52,000 tons, including Syria's first heavy crude shipment in 14 years. In February 2026, the transitional government regained control of key oil and gas

FIGURE 1 / Inflation and exchange rate



Sources: Central Bureau of Statistics, World Food Program Market Price Watch Bulletin, and World Bank.

FIGURE 2 / Actual poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

areas, significantly increasing its share of national oil production from around 20 to 88 percent. Since early 2025, Syria has advanced a broad reform agenda covering governance, civil service, fiscal management, taxation, banking regulation, and investment policy, aimed at modernizing institutions and supporting economic stabilization and reconstruction.

Despite these gains, sectoral conditions remain uneven. Tourism investment has resumed, but arrivals remain well below pre-conflict levels. Agriculture, though benefiting from better 2026 rainfall, is still recovering from the sharp 2025 drought that cut vegetation indices by 21 percent and drove wheat output to historic lows, forcing costly grain imports amid scarce foreign currency.

The Syrian pound has been appreciating since December 2024, reflecting improved external conditions and policy reforms. Inflation has eased, estimated at 11.5 percent in 2025, down from 72.1 percent in 2024. By December 2025, the World Food Programme's Minimum Expenditure Basket was 25 percent lower year on year but remained high at SYP 2.2 million (USD 206 at the official exchange rate), triple the official minimum wage, leaving nearly 90 percent of households facing difficulties in meeting basic needs.

Outlook

Subject to high uncertainty, economic activity is expected to continue modestly strengthening in 2026, weighted down by the conflict in the Middle East, which could reverse recent improvements by dampening trade, tourism, investment and electricity provision. Growth is expected to be still supported by recovering domestic demand from the return of refugees, higher public wages, increased business registration, and higher oil and gas output.

Inflation is projected to ease only gradually in 2026 and remains highly exposed to shocks associated with the conflict in the Middle East.

After registering a small surplus in 2025, spending is projected to rise in 2026 to help restore services and productive capacity. Revenues are expected to continue recovering, driven by stronger economic activity, increased oil and gas output, and the implementation of broad tax reforms to income, real estate, and sales taxes.

The outlook remains subject to risks stemming from evolving security dynamics, transitional institutional arrangements with the northeast, and the duration and the scale of the conflict in the Middle East. While reopened trade routes, sanctions relief, and renewed oil and gas export potential could support economic activity, persistent constraints—including limited access to international banking, weaknesses in energy distribution, and trade route disruptions—continue to weigh on trade and investment. In a highly uncertain regional context, investment pledges may also be reprioritized, affecting prospects for external financing and reconstruction support. High dependence on imported food, fuel, and consumer goods heightens vulnerability to external price shocks, which are rapidly transmitted to domestic inflation and erode household purchasing power. A precarious labor market and low aid funding would continue to exert downward pressure on household income, with poverty projected to increase slightly in 2026. Return movements are expected to create short-term pressures on already constrained public services and humanitarian assistance. Over the medium term, however, returnees could support growth through renewed economic activity, increased labor supply, and the return of human and financial capital.

Recent history and projections	2023p	2024p	2025p
Real GDP growth, at constant market prices	0.3	0.9	2.0-4.0
Inflation (consumer price index)	129.9	72.1	11.5
Fiscal balance (% of GDP)	-7.7	-5.1	1.4
International poverty rate ($3.00 in 2021 PPP)[1,2]	20.1	21.1	20.9
Lower middle-income poverty rate ($4.20 in 2021 PPP)[1,2]	44.5	46.8	46.8

Source: World Bank, Fiscal Policy & Growth Department.
Notes: p = figures are provisional, may be subject to revision and may diverge from official projections. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2022-HNAP.
2/ Projection using neutral distribution (2022) with pass-through = 0.7 (Low (0.7)) based on GDP per capita in constant LCU for 2023-2024 and the upper-bound projection of GDP per capita in constant LCU for 2025.