What Sanctions Relief Means for Syria's Future

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In December 2024, Syria's political landscape shifted in a way few thought possible. Bashar al-Assad – who had ruled for more than two decades and whose family controlled Syria for over half a century – was ousted. Within two weeks, rebel groups swept into Damascus, abruptly ending 54 years of Assad family dominance.

For ordinary Syrians, Assad's downfall was not just about the end of a dictatorship. It also marked the potential end of life under some of the world's harshest sanctions. For years, sanctions choked off Syria's economy, isolating the country from global trade and finance. Now, with Assad gone

and Hayat Tahrir al-Sham (HTS) taking power, the EU, UK, and US are cautiously loosening the grip. By mid-2025, key restrictions on banking, energy, transport, and trade were lifted. Arms and human-rights-related bans remain, but Western leaders openly describe this easing as support for "a new, inclusive, peaceful Syria." That raises the key question: can sanctions relief actually help Syria rebuild?

How Sanctions Defined Modern Syria

To understand the impact of today's changes, it's important to look back. Sanctions have shaped Syria's economy for decades. The US first imposed restrictions in 1979, when Syria was designated a State Sponsor of Terrorism. This immediately cut off defense exports, blocked access to certain financial markets, and restricted trade in sensitive goods. In 2004, sanctions tightened further after Syria's occupation of Lebanon, creating a near-total ban on US exports except for food and medicine.

But the real rupture came in 2011. When protests erupted across the Middle East, Syrians too took to the streets, demanding reform. The Assad regime's response was ruthless: violent crackdowns, mass arrests, and eventually all-out war. In retaliation, the US and EU imposed unprecedented sanctions. Banks and state-owned companies were frozen out of global markets, oil exports were banned, and international investment was effectively blocked. Over time, sanctions became a second war front for Syrians. The Assad government adapted by leaning on allies like Russia and Iran, but ordinary people bore the brunt: shortages, inflation, and economic collapse became everyday realities.

By 2020, sanctions were still expanding. The UK, no longer part of the EU, passed its own measures targeting Syrian officials and industries. The US introduced the Caesar Act, which punished not only Syrian actors but also foreign companies working with the regime, so called secondary sanctions. By then, Syria's economy was a shadow of its former self.

The 2025 Turning Point

The sudden removal of Assad in December 2024 changed everything. For Western governments, it opened a chance to reset relations with Syria – and to encourage its new rulers to take a different path. The EU was the first to move. Beginning in February 2025, restrictions were gradually lifted. Energy and transport bans were eased, key Syrian companies were removed from blacklists, and exemptions were created for banking, humanitarian aid, and reconstruction projects. By summer, nearly all economic sanctions were gone, though sensitive sectors like arms, dual-use technology, surveillance equipment, and the illicit drug trade remain firmly off-limits. The UK followed a similar path, unfreezing the assets of 24 entities and 12 officials, including the defense and interior ministries. Still, nearly 350 individuals remain sanctioned, and banking restrictions continue to limit

financial flows. The US also loosened its stance, delisting more than 500 individuals and companies, easing some export restrictions, and allowing limited transactions with Syria's government and central bank. Yet Washington has kept Syria on its State Sponsors of Terrorism list – a designation that carries heavy symbolic and practical weight. Most exports still require special licenses, and officials from all three countries repeatedly stressed that relief is conditional and reversible.

What Relief Could Mean for Syrians

For Syrians, the potential benefits are huge. The country's GDP, once around $120 billion, has shrunk by 83% since 2010 to just $21 billion. UN agencies estimate that over 90% of Syrians live below the poverty line. Infrastructure is shattered, millions are unemployed, and basic services barely function. Sanctions relief doesn't magically fix these problems, but it changes the rules of the game. Syria is now reconnected to the SWIFT banking system, making international transfers possible again. This alone is a lifeline for NGOs, aid agencies, and families reliant on remittances from abroad. International institutions are also re-engaging. The World Bank and IMF are in early talks with Syrian authorities about reconstruction financing, something unthinkable under Assad. Gulf investors – particularly from the UAE and Qatar – are eyeing opportunities in oil, gas, and electricity. Lifting restrictions on fuel imports and energy equipment could finally start addressing the country's chronic blackouts, which have crippled both industry and daily life. On a more basic level, humanitarian aid can move more smoothly. With banking restrictions eased, organisations can transfer money directly into Syria instead of using costly, roundabout channels. Medicine, food, and reconstruction materials can reach communities faster. Analysts estimate that sanctions relief is unlocking tens of billions of dollars in frozen assets and blocked trade capacity – resources that could go directly into rebuilding infrastructure, schools, hospitals, and roads.

Why Optimism Is Still Fragile

While lifting sanctions provides an opportunity for Syria's recovery, there are reasons to remain cautious. Sanctions relief is not a silver bullet. Syria's problems run deeper than restrictions: decades of war, corruption, and authoritarianism have hollowed out state institutions and empowered armed groups. Western leaders have made it clear that their patience is limited. Relief is tied to progress on governance, human rights, and stability. If HTS or other authorities fail to disarm militias, protect minorities, or curb corruption, sanctions can be quickly reimposed. For businesses, risks remain high. Dealing with individuals linked to past war crimes, terrorism, or drug trafficking is still strictly prohibited. Syria also remains on global anti-money laundering watchlists, and some UN sanctions continue to target extremist groups. International banks are therefore cautious, often

requiring multiple layers of due diligence before approving transactions. Even with restrictions lifted, it will take years for trust to rebuild. Investors will not flood in overnight. For Syrians, relief might first be felt in small, incremental ways: fewer shortages, more reliable electricity, slightly cheaper imports.

Looking Ahead

The easing of sanctions in 2025 offers Syria something it hasn't had in over a decade: a genuine opening. Financial systems are reconnecting, investors are circling, and humanitarian groups finally have fewer bureaucratic barriers to work around. Yet this opportunity is fragile. Sanctions relief is a tool – not a guarantee. If Syria's new rulers seize the chance to reform, build inclusive institutions, and stabilise the country, the relief could spark a wider recovery. If not, the West has made clear that sanctions can return overnight.

For now, Syrians are cautiously hopeful. After years of isolation and despair, there is at least a sense that change is possible. The coming months will show whether this moment becomes the start of a slow but steady recovery – or just another false dawn in a country that has seen too many already.

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