

Syria in Figures

Making Sense of Syria's Economy

More Syrians Seek Asylum in the EU Despite Rising Barriers: Balancing Values and Pragmatism

Push and pull factors, policy responses, and the outlook ahead.

Iranian Business Sector Loses Hope on Entering the Syrian Market

Iran's investments in Syria aimed to expand its influence, but persistent delays and bureaucratic obstacles hindered their realization.

External Contribution:

Can Network Mapping of First- and Second-Degree Relatives Unveil Sanctions Evasion?

Wael Al-Alwani (Observatory of Political and Economic Networks) outlines how the Observatory programmatically built a network database linking sanctioned individuals to their unsanctioned relatives who might be acting as fronts.

Interview:

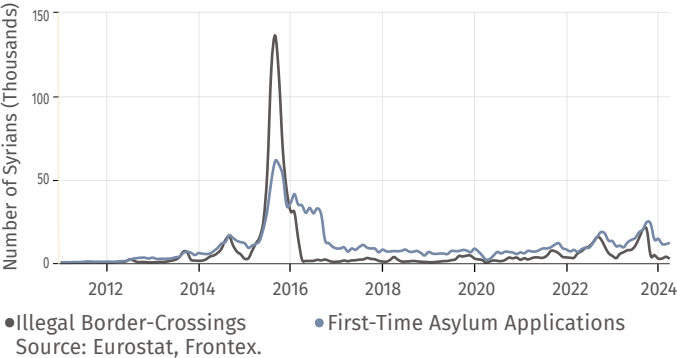
Adam Abdelmoula, UN Resident and Humanitarian Coordinator for Syria

The challenges the UN faces in Syria focus on declining humanitarian funding and the complexities of aid delivery. The 2024 Humanitarian Response Plan (HRP) has so far only secured 25% of its funding and emphasizes the need for a shift toward early recovery strategies. An update on the Early Recovery Trust Fund (ERTF). Collaboration with donors and the UN's efforts to improve transparency and reduce dependency. Also, aid diversion, the exchange rate gap, and navigating Syria's complex humanitarian landscape.

More Syrians Seek Asylum in the EU Despite Rising Barriers: Balancing Values and Pragmatism

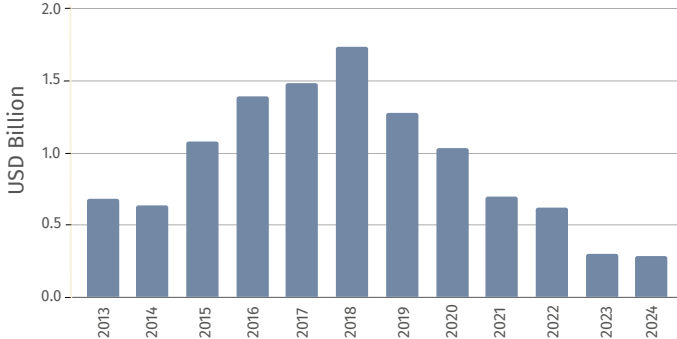
Since the onset of the uprising in 2011, the EU has been grappling with an influx of Syrian refugees. Although well below the 2014–2015 episode, the number of [first-time Syrian asylum](#) seekers in the EU tripled between 2020 and 2023, rising from 64 to 183 thousand. This slow but steady increase aligns with the number apprehended while [attempting to enter](#) the EU “illegally.” The continued arrival of Syrians, who constitute the [largest share](#) of asylum requests, and the absence of a solution to the conflict on the horizon have caused divisions within the EU as to the best policy response.

First-Time Asylum Applications and Illegal Border-Crossing Detections by Syrians (January 2010 - April 2024)



The factors pushing Syrians into the EU have only strengthened over the past few years, with conditions in Syria itself continuing to be, according to the [EU](#) and the [UN](#), unsafe for return. They face increasingly hostile rhetoric and regulations in neighboring host countries, particularly in [Lebanon](#) and [Türkiye](#), the largest reservoirs of would-be asylum seekers. Yet as their humanitarian needs in neighboring countries rise, the EU—under the pressure of an economic slowdown at home among other factors—has consistently cut funding for the [Regional Refugee and Resilience Plan \(3RP\)](#), the main UN-coordinated plan supporting refugees and host communities. These funding cuts are further aggravating the push factors for migration into the EU.

3RP Funding by the EU and EU Member States



Source: Financial Tracking Service- UNOCHA.

The decline in asylum requests to the EU after 2016 was primarily driven by the [EU-Türkiye Agreement](#) of March 2016, which significantly [curtailed](#) migration through the Western Balkans and East Mediterranean routes and instituted the return of intercepted migrants, entitled to asylum or otherwise, to Türkiye. The agreement was gradually reinforced by [increased](#) EU border controls and stricter asylum policies, commensurate with a decline in public interest toward hosting more refugees. The cumulative weight of these factors has pushed refugee smuggling costs beyond the reach of more Syrians and increased the risks of apprehension, return, and waiting periods for asylum decisions.

Some EU members, however, believe there is more to be done. Italy, Austria, Greece, and Cyprus, among others, argue that engaging with the Assad regime could [facilitate cooperation](#) on the issue. Despite the well-documented evidence of the regime's systemic torture, gassing of civilians, and arbitrary arrests, these countries believe working with Assad is still worth it. They effectively argue that cooperation will enhance Syria's security and economic conditions, potentially reducing the flow of future refugees or even facilitating their return.

Looking ahead, the latest Israeli [escalation](#) against Hezbollah in Lebanon risks pushing not only Syrian asylum seekers, but perhaps soon Lebanese nationals, into the EU. Since the latest attacks, more than [1.2 million](#) Lebanese have been displaced. Yet this has not translated into departures, as the precarious security situation at Lebanon's only international airport has reduced flight traffic sharply, leaving many [trapped](#) in the country. Among the nearly [200 thousand](#) Lebanese leaving for neighboring Syria, at least a share of them might soon depart abroad from the country's airports.

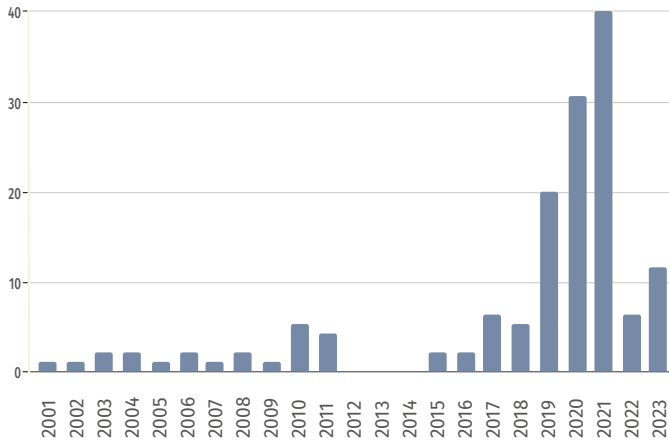
Despite the uncertainty, the same dynamic is likely to continue: burgeoning push factors faced with [stricter](#) migration policies. Syrians are increasingly on their own.

Iranian Business Sector Loses Hope on Entering the Syrian

Iranian businesses were entering the Syrian market at a modest rate in the decade preceding the 2011 conflict as the two countries aimed to improve their economic ties in line with their enhanced political and military cooperation. This albeit limited involvement slowed significantly in the first years of the conflict. As the war raged, many existing businesses—Iran-affiliated or otherwise—were shutting down and exiting.

After the Assad regime recaptured key opposition strongholds from 2016 to 2018 (the Ghouta suburbs and parts of Aleppo and Dara'a) and the war swung in Assad's favor, there was a proliferation of newly established Iranian-linked entities starting in 2019. This was accompanied by public statements from Iranian officials expressing hope for expanding their business footprint in Syria by motivating the private sectors in both countries to cooperate. In December 2018, the Iranian Deputy Minister of Roads and City Building, Ameer Amini, [said](#) that the two countries were preparing protocols, and memorandums of understanding, to pave the way for Iranian investments in Syria.

Number of Iranian-Linked Commercial Entities Established in Syria (2001-2023)



Source: Authors' calculations based on the Syrian Gazette.

Looking into the backgrounds of most Iran-affiliated companies—defined as Iranian companies with branches in Syria plus Syrian companies with at least one Iranian owner—established during the spike in 2019–2021 suggests they are mostly independent of IRGC's influence. IRGC carved out its own economic space in sectors such as phosphates, electricity, and telecommunication, and was more concerned with enhancing its strategic position and recouping the costs of its military intervention on Assad's side.

More importantly, the companies established then are mostly dormant at the moment. The decline in new business incorporations after 2021 further conveys the lack of private-sector involvement. Why did the interest of Iranian private investors in Syria run out of steam?

The hopes of Iranian businesses in Syria came crashing down under the pressure of multiple factors, with both economies struggling under the weight of additional sanctions, escalating Israeli airstrikes against targets linked to Iran in Syria, and the financial meltdown in neighboring Lebanon. Potential Iranian investors—along with their counterparts in Russia, China, etc.—might have expected Syria to stabilize following regime-allied military advances. Instead, they faced a Syria divided amongst multiple countries and armed groups and characterized by lawlessness, a free-falling economy, and uncertainty. All these factors weighed on the Syrian economy, as reflected by the [Syrian pound's sharp depreciation](#) that rose by nearly 300% between the end of 2021 and the beginning of 2024.

Aside from the sharp drop in Iranian-linked company incorporations, another indication of the poor economic relations between the two countries is the dismal state of trade. According to data from the Syrian Bureau of Statistics, from 2011 to 2022 Iran was Syria's 19th export market and 12th source of imports, lagging far behind regional countries (Iraq, Saudi Arabia, Lebanon, Egypt, the UAE, Türkiye, Jordan) as well as China, Russia, India, and Ukraine.

The Iranian private sector's poor engagement with Syria has been underscored by a number of comments from Iranian officials. Iranian Minister of Industry Ridha Fatimi Ameen said in [December 2021](#), "Despite extremely strong cultural ties, our economic relations with Syria are very weak and need improvement." This has also at times generated some frustration, with deputy head of the Iranian-Syrian Chamber of Commerce Ali Asghar Zbrdast [saying](#) that "economic benefits in Syria go to Russia, and other countries, while our trade and economic relations with Syria are slow."

On a more fundamental level, economic relations between the two countries are likely to remain poor because neither country's private sector has what the other needs. Iran's oil and Syria's phosphates remain firmly in governmental hands. This is an issue that no amount of positive statements and free trade agreements can resolve.

Can Network Mapping of First- and Second-Degree Relatives Unveil Sanctions Evasion?

Wael al-Alwani, *Observatory of Political and Economic Networks*
co-founder

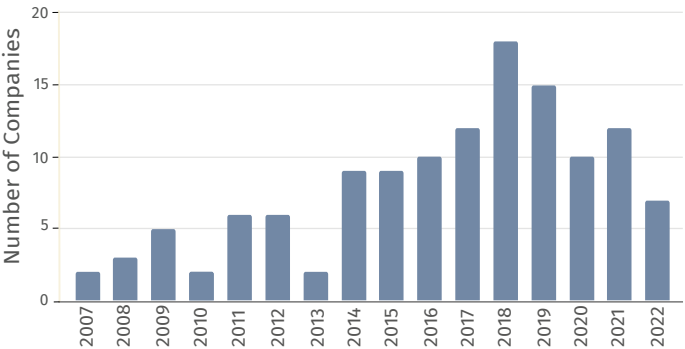
Three years ago, Karam and I published a [study](#) reviewing the effectiveness of US and EU sanctions on Syria. We argued that Western sanctions only targeted the tip of the iceberg but overlooked the regime’s extended network. Here I focus on how we use programmatic tools to track Assad regime sanctions evasion through first- and second-degree relatives.

Detecting Sanctions Evasion Using Path Analysis

To evade sanctions, one key common tactic is the use of unsanctioned first-degree (parents, siblings, children) and second-degree (uncles/aunts, nieces/nephews, grandparents/children, in-laws and half-siblings) relatives to create new businesses, acting as potential fronts for sanctioned individuals.

To understand the extent of this tactic, we analyzed the family and business connections of sanctioned individuals to find their relatives who started companies after sanctions were imposed. In some cases, these relatives were later sanctioned, so we included their companies if they were created during the period between the sanctions on both individuals. We identified over 130 companies set up by 120 relatives of currently sanctioned individuals.

Number of Companies Established by 1st and 2nd-Degree Relatives Following the Sanctioning of the Family Member



Source: Observatory of Political and Economic Networks based on the Syrian Gazette.

Some notable examples of potential sanctions evasion through relatives include:

- **Nozhat Ali Al-Mamlouk**, the second son of Ali Mamlouk. Ali is the former Director of Syria’s National Security Bureau and security advisor to Bashar al-Assad; he has been under various sanctions since May 2011. Nozhat co-founded First Class LLC, which received 371,000 USD from the UNDP in 2020. First Class was dissolved in May 2022.

● **Suleman Maarouf**, the nephew of Mohammed Nasif Kheirbek (known as Mohammed Nasif or Abu Wael), former Deputy VP for Security Affairs in Syria, a Bashar al-Assad advisor, and the architect of the relationships with Iran and its proxies. Mohammed Nasif was sanctioned by [the US in 2007](#); Suleman Maarouf was sanctioned by the [EU in 2012](#). However, between 2007 and 2012, Suleman Maarouf utilized his access to power and wealth to incorporate numerous companies in Syria and the UK, including purchasing properties in Dubai and London. His influence grew so much that he became Bashar al-Assad’s “fixer,” as the International Consortium of Investigative Journalists (ICIJ) referred to him in its [Panama Papers](#) leaks.

We also observed a common evasion tactic of individuals transferring ownership of their companies to family members after sanctions were imposed. By reviewing companies listed in the Syrian Official Gazette, social media profiles, obituaries, and other official documents, we tracked new businesses where relatives were used as fronts or informal nominee shareholders. Of the over 400 companies we analyzed, 135 have been set up by 121 relatives of sanctioned individuals since 2007, including 91 first-degree and 30 second-degree relatives.

A notable example is the Balwi family, who likely evaded sanctions by shifting ownership of their business to their brother-in-law, Mousa Muhammad Amshan. The Balwi brothers—Fadel, Muhammad, and Mut’i—were [sanctioned by the US](#) on 30 May 2023 for facilitating large money transfers to the Assad regime and its ally Iran through their company, Al-Fadel Exchange. After the sanctions, we believe they transferred their business to Amshan, who incorporated a new money transfer company established in November 2023, Royal Exchange LLC, likely as a front for Al-Fadel Exchange. Amshan may also be helping the Balawi brothers evade sanctions through his other companies, including MIRA Group MIG and Kharej Az Keshvar, which has connections to the Syrian regime, Hezbollah, and/or Iran’s Islamic Revolutionary Guard Corps Quds Force.

While manual verification is unavoidable, programmatic approaches like the one outlined here can significantly narrow the search, which makes manual effort feasible. Our forthcoming report at the Observatory of Political and Economic Networks (OPEN), in collaboration with the Syrian Forum, will be published in early November; it will showcase other uses of how quantitative network analysis can measure and improve sanctions’ effectiveness.

Interview with UN Resident and Humanitarian Coordinator for Syria



Adam Abdelmoula, UN Resident Coordinator & Humanitarian Coordinator for Syria.

Q: How is funding tracking so far for HRP 2024?

A: Last year, HRP closed 2023 with about 40% funding. It's unlikely we'll reach this figure in

2024. The declining trend is one reason we thought we should do things differently; hence the idea of early recovery.

The current situation is unsustainable. There are people becoming chronically dependent on humanitarian handouts. Whether we admit it or not, the humanitarian industry has created this dependency, which essentially cripples productive capabilities by making people reliant on assistance year after year.

Money spent strategically and vertically could have a more transformative impact on the needs landscape. That's why I think we need to control the funding by creating the ERTF and making it conditional on humanitarian community collaboration.

Q: Since the Early Recovery Trust Fund (ERTF) was first announced in March 2024, we haven't seen much information. Could you provide us with an update?

A: The release delay of the final text of the ERTF is largely due to my insistence that this program should be for the whole of Syria. We owe it to the Syrian people to ensure the initiative is needs-based and covers the entire country. That's why we've engaged in intensive dialogue with all Syrian partners over the past six months, working to ensure broad buy-in on the program.

My proposed ERTF management structure is unprecedented. It offers equal representation to NGOs and UN agencies. Donors will be involved in the Fund's management. There will be no representation by the Syrian government or any other de facto authority, as this is based on our humanitarian mandate. To ensure that colleagues in northeast and northwest Syria feel comfortable, the regional humanitarian coordinator and I will co-chair the Fund.

The Fund's secretariat will be located outside Syria—likely in Amman, Jordan. This will prevent any real or perceived influence by the Syrian government, and will automatically exclude Syrian nationals from being part of the secretariat, providing an extra safeguard.

Q: Do you anticipate significant funding, and do you think non-traditional donors will contribute?

A: Some, like Saudi Arabia and the UAE, have inquired about the UN's activities in Syria. But we haven't actively engaged them at the capital level. We may do that before the end of the year, once we finish establishing the ERTF.

Initially we'll rely on traditional donors who have already expressed interest in the program. The idea is simple: we want to start small, deliver tangible results, insulate the process from government influence, and make it people-focused.

Q: Let's have an open conversation about concerns from donors over evidence of aid diversion.

In 2019–2020, we found that 23% of procurement funding went to companies owned by at least one sanctioned person. In 2021–2022, the share rose to 31%. How concerning is that for you?

A: We don't want anyone to use the UN system to manipulate it. Anything that stands in the way of that must be avoided—this is a matter of policy. Many of you have more access to information about who's who in Syria than we do—we lack that depth of information and the capacity to analyze it fully. But two key donors have expressed interest in a concept note we are currently circulating to develop our Risk Management Unit, which I intend to operate from outside the country.

Q: Since you assumed your role, the exchange rate gap has narrowed from nearly 40% to 7%. How did you secure those concessions?

A: It took a very long, multifaceted campaign, targeting various people at different levels, emphasizing the harm to citizens and the damage to donor confidence that was causing the dwindling funding for humanitarian operations. I made it clear that if this continued, I would be forced to go public.

Initially the Syrian central bank said the difference in the exchange rate was used to fund subsidies. But when they eventually abolished those subsidies, we argued for closing the exchange rate gap. I also enlisted the support of Martin Griffiths, who served as UN Undersecretary-General for Humanitarian Affairs and Emergency Relief Coordinator until June 2024; he visited Syria twice last year.

Q: Our earlier research raised transparency concerns about the UN's operations in Syria. It seems some information is not publicly shared, such as operations with The Syria Trust for Development. I understand operating in Syria has challenges, but how problematic is it for the UN to fund an organization led by the political leader's spouse? What actions are being taken to improve transparency?

A: Any measure that erodes the confidence of donors should be of very serious concern to all of us.

The Syrian government's humanitarian architecture is complex. The High Relief Committee that manages all aspects of humanitarian work in Syria represents at least five different entities, each defending its own turf. NGOs can be registered through as many as three different channels—The Syria Trust, the Ministry of Local Administration, the SARC, etc. To address this, I worked on a concept note for the creation of a single humanitarian coordination agency within Syria's government. This is how things are done in every other country in the world.

As I mentioned earlier, I don't have all the details regarding who is funding which entities, but I am willing to look into it.

SYRIA IN FIGURES

What is Syria in Figures?

Syria in Figures is a monthly publication that provides data-driven and insightful analysis of developments shaping Syria's political economy. It prioritizes relevance and novelty, which makes it a vital resource for policymakers, humanitarian implementers, researchers, and other stakeholders attempting to understand Syria's complex landscape.

Recent publications and contributions:

[Networked Authoritarianism and Economic Resilience in Syria \(Brookings Institution\).](#)

[Should Maher Al-Imam Have Been Delisted from EU Sanctions? \(Observatory of Political and Economic Networks\).](#)

[The Captagon Trade from 2015 to 2023 \(Newlines Institute\).](#)

[Syria Economic Monitor-Spring 2024 \(The World Bank\).](#)

Syria in Figures is produced by Karam Shaar Advisory Limited. It is funded by a generous grant from the German Stabilisation Platform (SPF).

The views and opinions expressed in this publication are those of the authors and do not necessarily reflect SPF's official policy or position.

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