

# Syria: One year later, transition continues amidst complex political situation | Credendo

## Event

In early December last year, the Assad regime was overthrown by rebels led by the Hayat Tahrir al-Sham (HTS) Islamist group, ending the brutal civil war. Since then, the country has been undergoing a very challenging political transition.

## Impact

This December marks one year since the fall of the regime that governed Syria for more than 50 years, first under Hafez al-Assad and then under his son Bashar al-Assad. The transitional government, led by Interim President Ahmed al-Sharaa (former HTS leader), inherited a country which was shattered by almost 15 years of civil war, and which was in a severe economic and financial crisis. Over the past months, the new Syrian authorities have taken steps to advance the political transition and stabilise the economic and security situation in the country. Support from the international community, including EU and US sanction relief and investment pledges from Türkiye and GCC countries, are welcome developments for Syria's reconstruction efforts and economic recovery.

Nonetheless, the challenges remain substantial and the path to stabilisation is very difficult. Economic recovery and reconstruction are hindered by the weak institutional setting, dysfunctional banking sector and residual sanctions, and because most investment pledges have yet to materialise. More importantly, the country continues to face important security risks as Syria remains very fragmented with still active jihadist and other armed groups that are unaffiliated to the government. The authorities are struggling to control some parts of the country, particularly in the northeast and in the southern province of Sweida. Moreover, during recent months there have been several episodes of sectarian tensions and violence, most recently in Homs. Another factor of instability for Syria are the regional geopolitical dynamics, in particular the tense relations with Israel and presence of Israeli forces in southwestern Syria.

In this context, the outlook for Syria will depend on the advances it makes regarding institutional reforms and security stabilisation. Given the country's substantial political, financial, economic and institutional challenges, Credendo maintains its ST and MLT political risk classifications in category 7/7.

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