

The Effect of Regime Change on Exchange Rates in Syria

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Agenda

Introduction & Motivation

1920–2000: the formation of modern Syria

2000–2023: Bashar al-Assad's Syria

2024–present: Syrian Transitional Governments

Moving Forward

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- ▶ I'm Antiochian Orthodox
- ▶ In the past year, there's been a lot of talk about instability in Syria
- ▶ Bashar al-Assad's regime was overthrown on December 8, 2024
- ▶ On December 5, the exchange rate hit a historic 19,000 SYP/USD:



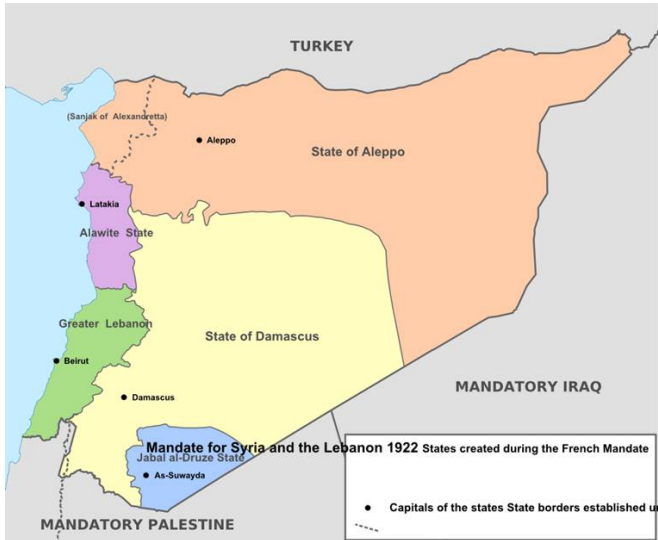
1920–2000: the formation of modern Syria

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- ▶ France receives Syria and Lebanon



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- ▶ Banque de Syrie et du Liban issues a **Syrian pound equivalent to 20 francs**
- ▶ By 1923, Armee du Levant accounted for **27% of the Syrian mandate governance budget**

1920–2000: the formation of modern Syria

- ▶ So... what happens?

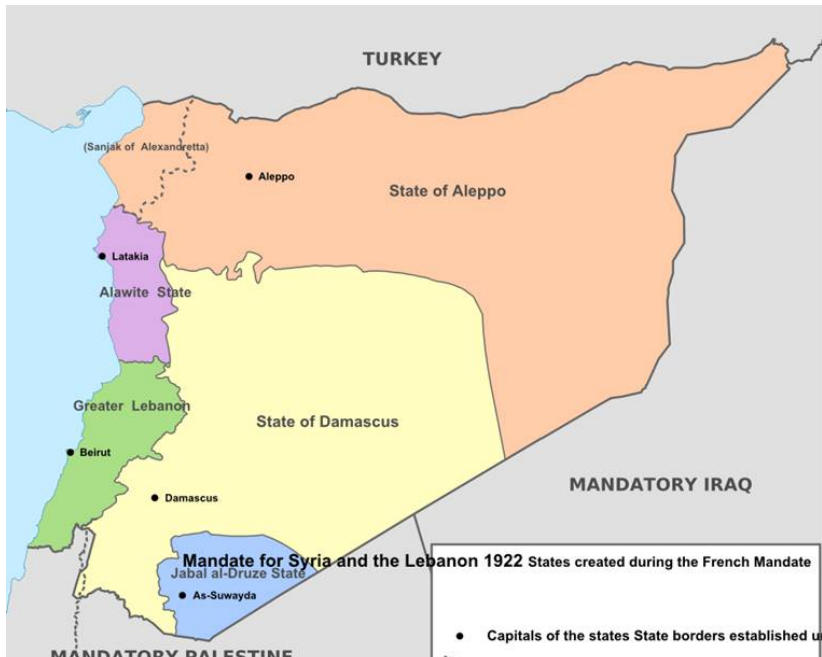
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- ▶ One term being: Troupes Speciales du Levant (poor rural Sunnis and 'Alawis)

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- ▶ 1948: Syrian and Lebanese currencies split.
- ▶ 1949: Syrian Pound no longer linked to the franc.
- ▶ 1950–1954: Coups and civil unrest. Formation of Second Syrian Republic.

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- ▶ By 1959: divergence between free market and set rate. **Free market abolished**

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- ▶ 1962: SAR repeals controls and reinstates the free currency market. **Official exchange rate set at 3.8 SYP/USD.**
- ▶ 1963: Free market rate depreciates and the controls are reinstated. *The currency black market is allowed to proliferate.*

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- ▶ March 1963: *Another* coup places Ba'athists — namely Hafez al-Assad and four other colonels — in control of Syria.

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- ▶ Authorities unify the official and parallel rates to 3.73 SYP/USD.

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- ▶ **1989: 42 SYP/USD**

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- ▶ 2000–2010: Trade liberalization, move to referencing the SYP to an SDR basket, 5% annual growth
- ▶ 2006–2008: 9% appreciation of the SYP to 52 SYP/USD

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- ▶ August 2013: US ban on investment into Syria.

2000-2023: Bashar al-Assad's Syria

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- ▶ **2019: US bars exports to Syria**

2000-2023: Bashar al-Assad's Syria

- ▶ 2019: Lebanese Financial Crisis

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2000-2023: Bashar al-Assad's Syria

- ▶ 2019: Lebanese Financial Crisis



- ▶ 2020: COVID-19, Syrian Pound sits at 1,000 SYP/USD.
- ▶ March 2021: The Syrian Pound had fallen to a stable exchange rate of 3,450 SYP/USD (1,256 official)

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- ▶ **February 2023: severe earthquakes in Syria and Turkey**



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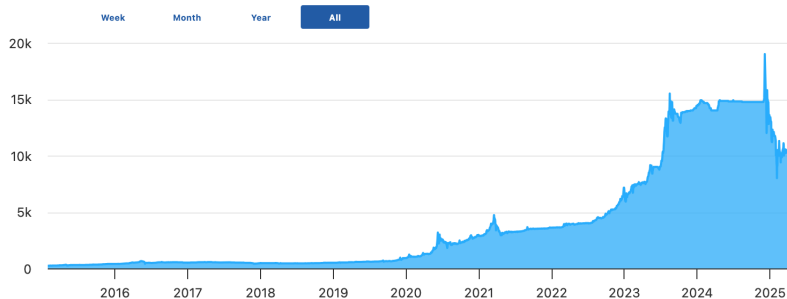
- ▶ 2022: Russia invades Ukraine, weakening presence in Syria
- ▶ **February 2023: severe earthquakes in Syria and Turkey**



- ▶ October 2023: Lebanon's Hezbollah attacks Israel, spreading forces thin

2000-2023: Bashar al-Assad's Syria

- ▶ **official exchange rate rises to 2,505.74 SYP/USD (14,800 free market)**



2024–present: Syrian Transitional Governments

- ▶ **Hay'at Tahrir al-Sham (HTS) captures Homs on December 8, 2024**

2024–present: Syrian Transitional Governments

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2024–present: Syrian Transitional Governments

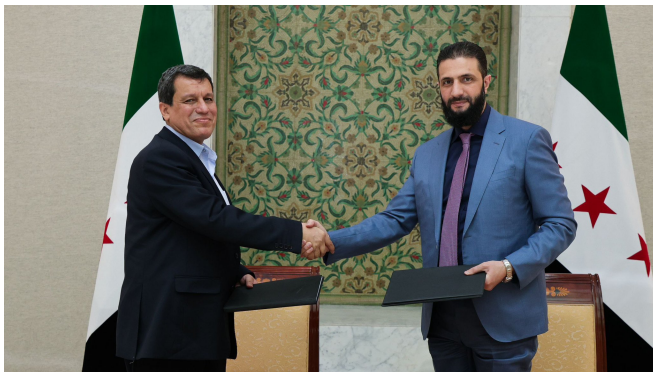
- ▶ **Hay'at Tahrir al-Sham (HTS) captures Homs on December 8, 2024**
- ▶ al-Assad's family flees to Moscow later that day
- ▶ **The exchange rate hits its recorded maximum: 19,000 SYP/USD**

2024–present: Syrian Transitional Governments

- ▶ January 29, 2025: Ahmed al-Sharaa appointed president of Syria's transitional government

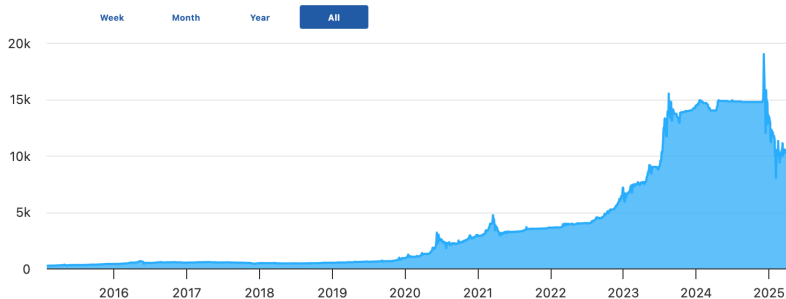
2024–present: Syrian Transitional Governments

- ▶ January 29, 2025: Ahmed al-Sharaa appointed president of Syria's transitional government
- ▶ March 13, 2025: Ahmed al-Sharaa ratifies a 5 year interim constitution and establishes a **Second Syrian Transitional Government**



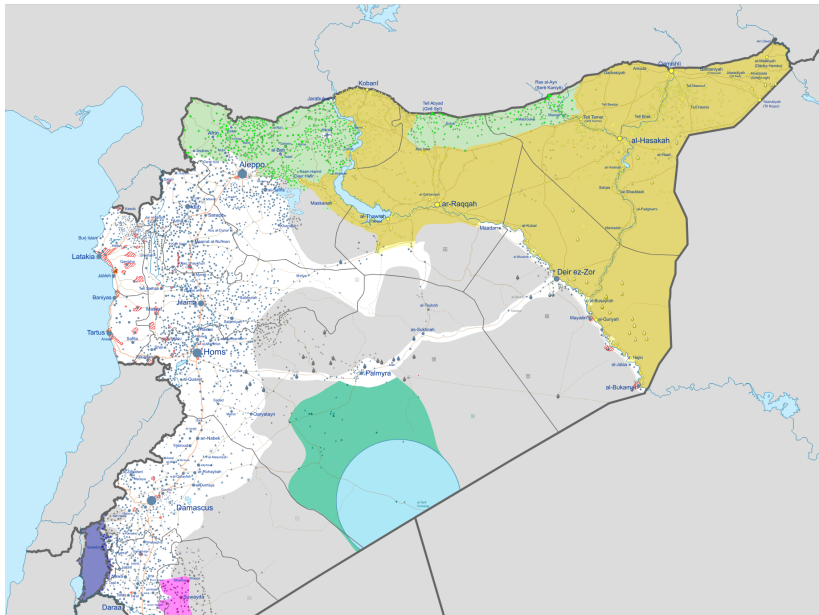
2024–present: Syrian Transitional Governments

- ▶ The exchange rate strengthened to a stable-ish 10,000–11,000 SYP/USD (as of this morning)



2024–present: Syrian Transitional Governments

As of April 13, 2025:



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-
- ▶ Net effect: **strengthening of the Syrian Pound**

Thank you!

Questions?