

Investing in Syria: why misreading local power sinks deals



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Executive Summary

In Syria, compliance with Damascus is necessary but never sufficient. A decade of war has left a state that is centralised on paper and fragmented in practice, where real authority is still as personal and regional as it is institutional. An investor who routes everything through the capital, assuming it can deliver the governorates, will fail.

Those who succeed will read who actually holds power on the ground – at the centre and locally – and design projects that serve both interests from the first day. That is not a task for financial due diligence alone; it requires people who can read local power and broker between it.

1. Why power in Syria is local

Investment in Syria is never purely financial or technical. It is bound up with who governs, who commands local standing, and how power is shared between Damascus and the governorates. The essential entry points for any activity are a person and a place, not yet an institution – even as the new administration works to make decision-making less personal and more rules-based.

Whoever controls resources holds power, whether that power flows from personal standing or from public office; in Syria the two are difficult to separate. These are what we term as “subjective interests”: the personal, regional and institutional stakes that individuals bring to a decision, distinct from the formal position they occupy. The logic runs both ways: a governorate that can attract investment becomes a more consequential partner for the centre, not merely a recipient of its instructions. This is the terrain an investor must read before committing capital – and it is read through people, not documents.

2. What this looks like on the ground: two live examples

The below investment opportunities illustrate the importance of local engagement.

Modernization of the Tartus Cement Plant

The cement industry remains one of the most important industrial sectors in Syria. The Tartus plant, located in the coastal region, constitutes one of the most significant economic assets in the area. Several international companies have expressed interest in modernizing the facility and making substantial investments under conditions that would grant them partial control over production.

The successful bidder will need political and social agreements, whether formal or informal, between influential actors at the central level, including government and industrial representatives, and the responsible authorities in Tartus Governorate, as well as notable local social figures.

For instance, representatives of both interest groups would have to agree on labour arrangements at the factory; the integration of local workers; the percentage of financial benefits allocated to the governorate; or environmental protection measures. Most importantly, such a dynamic would facilitate a balance between personal interests related to financial affairs and those related to political power. The central interests would be represented through officers and employees of the Ministry of Economy and Industry and the Syrian Investment Authority; the interests of the governorate would be represented by the office of the Governor and the Board of the Tartous Chamber of Commerce and Industry. These two governorate-level entities would also be the ones with whom the dialogue should be initiated and

closed. Such a framework would prevent or minimize potential tensions between influential actors in Tartus and their counterparts in Damascus.

Replacement of the Homs Oil Refinery

In June 2026 the Syrian Petroleum Company tendered a new 210,000 b/d refinery at Furqlus, some 50 km east of Homs city, with the existing Homs refinery slated for closure.

Any prospective investor in this project should first determine whether influential actors in Damascus genuinely consider the construction of a new refinery to be a national priority or whether they favour instead retaining and modernizing the existing refinery in Homs or even the refinery north of Baniyas. The investor should also identify whether influential individuals have personal or regional ties to any of these locations and whether they possess specific political, economic, or personal interests in promoting one project over the others.

Investors should also examine whether financial interests attach to the existing Homs refinery or to Baniyas, given the latter's coastal position and potential role as a transit refinery for Gulf oil. More important is a clear reading of the two distinct geographies in play. The current refinery directly employs many residents of Homs city and sustains many more indirectly; these workers, and their backers among influential figures in Homs and Damascus, form one local network of subjective interests. Al-Furqlus, where the new refinery is planned, is by contrast a predominantly tribal area whose stakeholders want local development, jobs, and rising living standards. Both sets of interests must be recognised.

The workforce question is where these interests meet. Investors should retain the existing refinery's staff and expertise wherever possible: replacing local personnel wholesale with outside engineers and technicians would be a serious mistake, as would dismissing current employees – or denying them travel compensation – once operations shift to Al-Furqlus. The balanced approach creates jobs for the Furqlus population, protects the Homs workforce, and still leaves room for qualified Syrians from elsewhere. That balance across local, regional and national subjective interests strengthens social acceptance and makes the investment durable.

It is therefore highly advisable for investors to engage directly with the Governorate Council and/or the Chamber of Commerce and Industry in Homs. In most cases, the individuals serving in these institutions represent the principal economic, political, and societal interests of the governorate and can provide valuable insights into local priorities, expectations, and potential sensitivities.

3. Way forward for investors

Ideally, Damascus would take the initiative and agree common rules with the governorates for how central and local interests are balanced on major projects, a political accommodation rather than a legal one, closer to how federal systems coordinate informally than to anything written into law. No investor should count on that framework being in place. The responsibility for balance therefore falls on the investor, and the governing assumption must be that nothing in Syria can be organised from Damascus alone.

Two groups have to be read correctly. The first is the powerholders in the capital who come from the governorates and keep their regional and social loyalties; handled well they become an investment's guarantors, handled badly its obstacles. The second is influential local actors – in provincial politics, tribal structures, social and economic networks – who can act as spoilers or as a project's strongest advocates.

Reading them takes real knowledge of the ground: local governance and security arrangements, social, religious and tribal dynamics, land-use patterns, the level of regional development, whether local actors feel sidelined by the centre, and how Damascus itself decides where investment should go. The instruments follow from that knowledge: trust built by showing the investor genuinely intends to balance competing interests, mixed ownership that creates commitments at both regional and national level, and a horizon long enough that every stakeholder has reason to keep the project stable.

The mechanism is dialogue: continuous, discreet, and begun before the first stone is laid rather than after problems surface. It is the first step of the investment. An investor need not disclose every intention at the outset, but must map the terrain, including stakeholders, tensions, interplay of centre and governorate, before committing.

Most investment failures in Syria will not come from a shortage of capital or technical skill. They will come from misreading local power. The market has no shortage of investment expertise; what it lacks is people who understand Syria's culture and politics at every level and can speak to those who hold power at the centre and in the governorates: neutral, experienced figures, present on the ground, who can bridge competing interests and clear obstacles on all sides. In Syria, that is often the difference between a project that holds and one that does not.

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