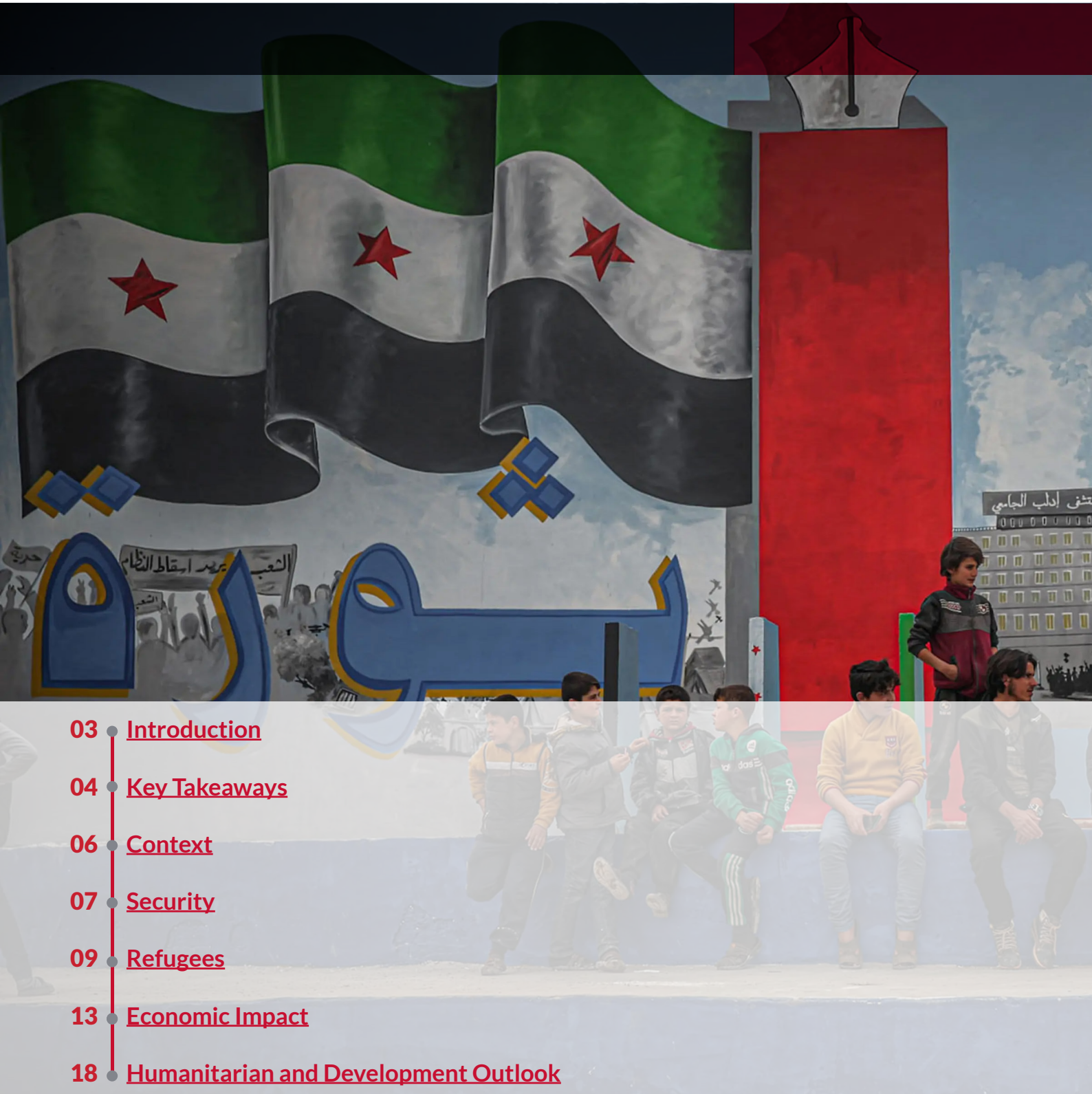


Flash Report

Regime Change in Syria: Implications for Lebanon

February 2025



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The Lebanon Crisis Analytics Team (LCAT) provides reactive and in-depth context analysis to inform the aid community in Lebanon. The information and analysis contained in this report is therefore strictly to inform humanitarian and development actors and associated policymaking on Lebanon.

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Credit: Louai Beshara/AFP

Introduction

The overthrow of the Assad regime in Syria, which brought an end to nearly 50 years of Ba'athist rule, is already significantly affecting Lebanon's economy, society, and politics. Humanitarian concerns are paramount, as nearly 100,000 people have fled for Lebanon, and further cross-border migration is possible in the event of renewed/greater instability in Syria. Additionally, the new Syrian government has instituted regulations on the movement of people and goods from Lebanon and has carried out security operations that have resulted in several rounds of cross-border fighting.

Nevertheless, these developments should not overshadow the positive effects that the change in government in Syria could have on relations between the two countries, their citizens, and economic ties. Following the fall of the Assad regime, a significant portion of Syrians residing in Lebanon have expressed a desire to return to their home country. Moreover, recent visits by top Lebanese politicians to Damascus, including the former caretaker prime minister, signal that a thaw in nearly two decades of icy relations between the two states could be in the offing – which could have positive effects on business relations.

To better inform the humanitarian and broader aid community in Lebanon, this report offers a brief overview of developments in contemporary Syria affecting Lebanon. It aims to support coordinated humanitarian and development responses and guide contingency planning. The report outlines key events and offers analysis to help actors anticipate risks, identify opportunities – such as potential refugee returns and economic shifts – and strengthen preparedness for evolving challenges in an already fragile context.



Key Takeaways

- The fall of the Assad regime has had negative security implications for Lebanon, especially along the border. Cross-border clashes have broken out during Syrian military operations targeting alleged smugglers and Assad loyalists. While Lebanon and Syria have sought to contain the violence, additional limited clashes are likely. Renewed upheaval in Syria risks further destabilizing the border.
- A sustainable solution to the displacement of Syrian nationals in Lebanon is more likely now than prior to the fall of the Assad regime. Already, an estimated 292,500 Syrians have returned from neighboring countries since December 2024.¹ According to the UN High Commissioner for Refugees (UNHCR), approximately 355,000 Syrians in Lebanon intend to return in the coming year.² However, significant challenges face Syrians seeking to return. According to UNHCR, “[...] many families have little shelter and few economic prospects,” and the UN Office for the Coordination of Humanitarian Affairs (OCHA) has noted that “restoring water and electricity supply, among other basic services, remains challenging across Syria due to insecurity and infrastructure damage.”³
- Despite this, some Lebanese politicians are engaging in a renewed push to forcibly return Syrian nationals to their home country. Forcible returns face significant political, security, economic, and logistical challenges.
- Notably, there has been a rapid influx of displaced person from Syria since the fall of the Assad regime, though far fewer than the total amount displaced throughout the Syrian Civil War. Some 90,000 people, including 20,000 Lebanese persons residing in Syria, have fled to northeast Lebanon from Syria since December 2024. Most of the newly displaced Syrian nationals fled to Lebanon over security concerns.

¹ UNHCR, [UNHCR Regional Flash Update – 15# Syria Situation Crisis](#) February 20, 2025

² UNHCR, [Flash Regional Survey on Syrian Refugees 'Perceptions and Intentions on Return to Syria'](#) February 6, 2025

³ UN News, [More than 125,000 refugees return to Syria in desperate conditions](#) January 9, 2025



- Humanitarian aid organizations in Lebanon are contending with spending cuts following the January 20 United States (US) executive order suspending foreign assistance. The United Nations (UN) Lebanon Response Plan has raised only 10.17% of its target, further constraining aid operations.
- Lebanon's economy has experienced limited spillover effects following the fall of the Assad regime. Lebanon claims that agricultural exports have slowed due to new Syrian fees and inspection protocols, while produce smuggling into Lebanon has reportedly surged, disrupting markets and undercutting local farmers. To date, there is no hard data on the scale of these alleged trends. The sector has already faced losses from the 2024 Lebanon War, and further trade barriers could severely impact rural economies, where agriculture drives 80% of local GDP.
- Lebanon and Syria's economies have historically been heavily interconnected, with expansive trade and service flows. While many questions remain, the fall of the Assad regime and the potential lifting of sanctions regimes could present a path back to this previous dynamic, with positive implications for Lebanon's economy. Lebanese businesses could benefit from a sustained lifting of international sanctions on Syria, including increased trade, energy, and reconstruction opportunities.
- Aid actors can play a critical role in mitigating the negative impacts of political changes in Syria on Lebanon, as well as taking advantage of new opportunities to facilitate lasting solutions to humanitarian and development needs in both countries. A coordinated response is needed to address displacement and worsening humanitarian conditions, prioritize safe and voluntary returns, support livelihood programs, and strengthen legal services while scaling up emergency aid and host community support to reduce tensions. Long-term stability depends on crisis preparedness, economic resilience measures for Lebanese businesses and Syrian returnees, and market-based solutions to sustain local agriculture and mitigate the negative impacts of illicit trade.



Credit: AP

Context

Following the 1975–1990 Lebanese Civil War, Hafez al-Assad and his son, Bashar, exerted considerable security and political control over Lebanon until Syrian forces withdrew from the country in 2005. Starting in 2011, the Syrian Civil War fueled political turbulence and security incidents in Lebanon, as well as major clashes along the Lebanese-Syrian border. By 2018, violence along the border had largely subsided, following parallel offensives by the Lebanese Armed Forces (LAF) and Hezbollah against Islamic State- and Hay'at Tahrir al-Sham (HTS)-affiliated militants in northeastern Lebanon,⁴ together with the Assad government's pacification of insurgent groups.⁵

When the Assad family's half-century rule came to an end on December 8, 2024, it ushered in major changes that have begun to reshape political and economic ties between Lebanon and Syria. Humanitarian actors in Lebanon are also navigating the new regional landscape, one that presents immediate and longer-term challenges. The fall of the Assad regime comes on the heels of the November 27 cessation of hostilities (CoH) that ended more than two months of conflict between Israel and Hezbollah – which resulted in extensive loss of life and property destruction in Lebanon. Lebanon's efforts to move forward in reconstruction and long-stalled political and financial reforms will need to account for fast-moving events in neighboring Syria.

⁴ West Point Combating Terrorism Center, [The Lebanese Armed Forces and Hezbollah's Competing Summer Offensives Against Sunni Militants](#) September 2017

VOA, [Victory Over IS on Lebanon-Syria Border Is Boon for Hezbollah](#) September 2, 2017;

Reuters, [Lebanese army, Hezbollah announce offensives against Islamic State on Syrian border](#) August 19, 2017

⁵ The Guardian, [Syria: Assad has decisively won his brutal battle](#) December 30, 2018



Credit: Leo Correa/AP

Security

The fall of the Assad regime has precipitated a volatile security situation along the 375-kilometer-long Lebanese-Syrian border, a remote, rugged area that is not demarcated – parts of which are claimed by both countries – and where smuggling is widespread.⁶ The new Syrian government's security operations are targeting both Assad loyalists⁷ and smugglers,⁸ including along the border with Lebanon. Such actions will likely lead to an increasing number of cross-border clashes and potentially destabilize Lebanese regions in the vicinity.

On February 6, Syrian security forces launched an operation targeting alleged smugglers in Hawik, a Syrian village populated by Lebanese persons near the border town of Al-Qasr in northeastern Lebanon.^{9,10} The operation escalated into four days of heavy cross-border fighting against Lebanese clans, in which at least 3 Lebanese nationals and a member of Syria's security forces were killed, while 10 other Lebanese were injured.¹¹ Syrian security forces shelled Lebanese territory, including in the vicinity of Al-Qasr,¹² Qanafez,¹³ and Salhat al-Ma.¹⁴ On February 7, the presidents of both countries agreed to "coordinate efforts to control the situation and prevent attacks on civilians."¹⁵ The LAF announced on February 10 that it had completed its deployment in the northeastern border region, while the clans had withdrawn from the area.¹⁶

⁶ Middle East Directions, [Lebanon's border areas in light of the Syrian war: new actors, old marginalisation](#) March 2018

⁷ AFP, [Syria forces launch security sweep in Homs](#) January 2, 2025;

The National, [Fears of sectarian violence reigniting in Syria as dozens of Alawites and HTS fighters reportedly killed](#) January 26, 2025

⁸ Middle East Monitor, [6 killed in clashes between Syria security forces, gunmen in rural Homs](#) January 22, 2025

⁹ Al-Wehda, [بيان المكتب الإعلامي بمحافظة حمص](#) February 6, 2025

¹⁰ Thirty-three Orontes River basin villages in the Homs governorate were annexed to Syria from Lebanon by French colonial authorities in 1934 but have since remained populated by Lebanese nationals with cross-border familial ties to Lebanon.

An-Nahar, [نازحون من سوريا بعد سقوط النظام](#) January 1, 2025;

An-Nahar, [نزحوا في انتظار جلاء التطورات السورية](#) December 9, 2024

¹¹ L'Orient Today, [Third day of fighting between Lebanese clans and Syrian forces along the border](#) February 8, 2025;

L'Orient Today, [New clashes erupt between Lebanese clans and Syrian forces](#) February 9, 2025

¹² NNA, [تعرض بلدة حرماش الحدودية لهجوم بالصواريخ والمسيرات](#) February 8, 2025

¹³ NNA, [قصف بلدة قنافة اللبنانية على الحدود الشمالية للهرمل](#) February 8, 2025

¹⁴ NNA, [قصف عشوائي على بلدات عند الحدود اللبنانية سورية](#) February 8, 2025

¹⁵ L'Orient Today, [Third day of fighting between Lebanese clans and Syrian forces along the border](#) February 8, 2025

¹⁶ NNA, [الجيش اللبناني يستكمل انتشاره في المنطقة الحدودية الشمالية للهرمل](#) February 10, 2025

Limited clashes will likely break out again, as smugglers affiliated with Lebanese clans seek to defend their lucrative cross-border interests. Further firefights will not only harm the livelihoods of residents of Lebanese border villages but could expand beyond the abilities of Syrian and Lebanese authorities to contain them.

Although Syrian President Ahmed al-Sharaa's HTS militants fought against Hezbollah during the Syrian Civil War,¹⁷ the new leadership in Syria appears unlikely to pursue provocative kinetic action against Hezbollah in Lebanon.

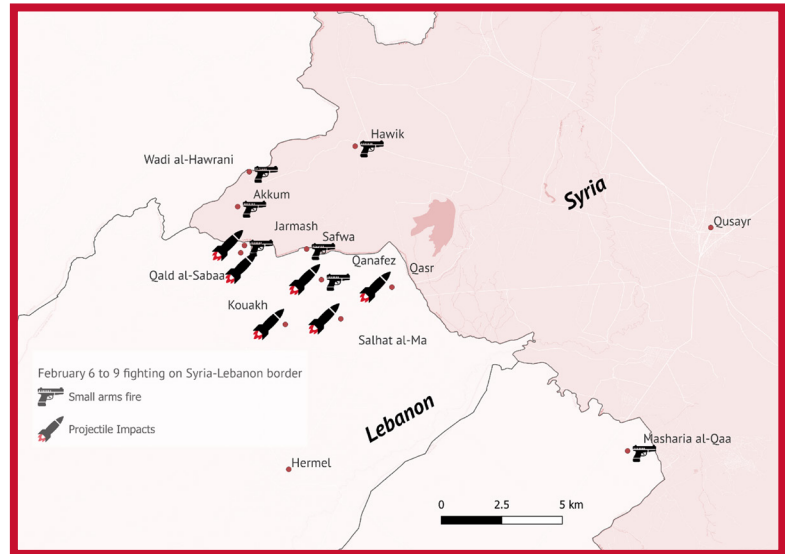


Figure 1: Fighting between Syrian security forces and Lebanese clans spanned both sides of the Syrian-Lebanese border from February 6 to February 9.

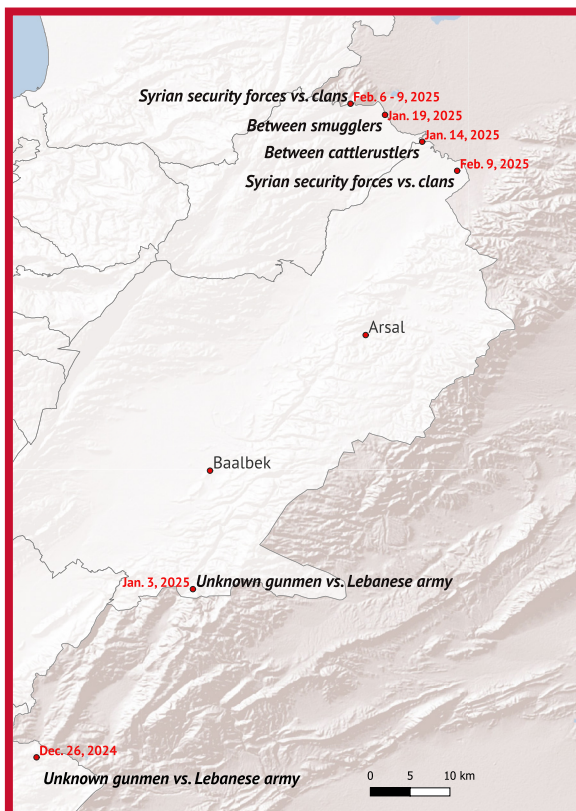


Figure 2: Dates and localities of cross-border clashes from the fall of the Assad regime (December 8, 2024) through February 24, 2025.

Al-Sharaa has stated that he does not want Syria to be a launchpad for attacks on its neighbors¹⁸ and that he is open to good ties with all parties in Lebanon.¹⁹ On February 10, a Syrian security official said that while Hezbollah was facilitating armed smuggling gangs along the Lebanese-Syrian border, Syria's security operations have been limited to Syrian territory.²⁰ Hezbollah, in turn, appears unlikely to pursue military action in Syria in the short- to medium-term, particularly as the organization works to rebuild its military capacity.

Renewed widescale fighting among Syria-based factions would likely destabilize the security situation along the border; a chaotic splintering of power in Syria could lead to a reprise of the situation along Lebanon's border seen during earlier parts of the Syrian Civil War. From 2013 to 2017, armed Islamist Syrian groups clashed with Lebanese security forces and Hezbollah on the Lebanese side of the border.²¹

¹⁷ West Point - Combating Terrorism Center, [The Lebanese Armed Forces and Hezbollah's Competing Summer Offensives Against Sunni Militants](#) September 2017

¹⁸ The Times, [Jolani: Syria won't be used as a launchpad for attacks on Israel](#) December 16, 2024

¹⁹ Al-Jazeera, [أحمد الشرع يفتح بابا للمصالحة](#) December 27, 2024

²⁰ SANA, [قائد المنطقة الغربية بإدارة أمن الحدود](#) February 10, 2025

²¹ Both the Al-Qaeda-linked Al-Nusra Front (later rebranded as Jabhat Fath Al-Sham and subsequently Hay'at Tahrir al-Sham after claiming to sever ties with Al-Qaeda) and the Islamic State engaged with Hezbollah and the LAF from 2013 to 2017. Most notably, in August 2014, Islamist militants briefly seized the Lebanese border town of Aarsal before being forced out by the LAF, with the clashes killing 42 civilians.

Reuters, [Militants pull out of Lebanese border town with captives](#) August 7, 2014;

West Point - Combating Terrorism Center, [The Lebanese Armed Forces and Hezbollah's Competing Summer Offensives Against Sunni Militants](#) September 2017



Credit: UNHCR/Hameed Marouf

Refugees

New displacement waves

In the days after the December 8 fall of the Assad regime, approximately 90,000 people fled to northeast Lebanon, among them some 20,000 Lebanese persons residing in Syria.²² This new wave of refugees reportedly comprises Syrian minorities, fleeing to Lebanon over security concerns.²³ The displaced Lebanese persons originate from Orontes (al-Assi) river basin villages in Homs Governorate,²⁴ and are reportedly concerned about the security situation in their home villages, where Hezbollah maintained a military presence prior to the fall of the Assad regime.²⁵

Newly displaced individuals from Syria are seeking shelter in the Baalbek-Hermel Governorate, where approximately 35,000 Syrians are housed in 224 informal communal shelters, according to the United Nations High Commissioner for Refugees (UNHCR).²⁶ On December 25, then caretaker Minister of Social Affairs Hector Hajjar said that the Lebanese state would not open new shelters for Syrian refugees, but added that aid would be distributed for Lebanese persons displaced from Syria.²⁷

²² UNHCR, [UNHCR Regional Flash Update - 14# Syria Situation Crisis](#) February 13, 2025;

UNHCR, [UNHCR Regional Flash Update #4 - Syria Situation Crisis](#) December 16, 2024

²³ Al-Akhbar, [٩٠ ألفاً دخلوا إلى لبنان خلال أيام وتميز بين النازحين: أزمة النزوح تتفاقم ومخاوف من أحداث أمنية](#) December 13, 2024;

Nida al-Watan, [نازحو الأسد عبء على الدولة و«حزب الله»](#) February 6, 2025;

An-Nahar, [مصدر أممي لبناني لـ«النهار»: نسبة السوريين العائدين إلى سوريا](#) January 11, 2025;

L'Orient Today, [In the Bekaa Valley, pro-Assad Syrian refugees fear the reversal of history](#) February 3, 2025

²⁴ French colonial authorities annexed 33 Lebanese Orontes River basin villages to Syria in 1934.

An-Nahar, [نازحون من سوريا بعد سقوط النظام](#) January 1, 2025;

An-Nahar, [نزحوا في انتظار جلاء التطورات السورية](#) December 9, 2024

²⁵ Manateq, [نازحو القرى المتداخلة مع سوريا منقسمون بين العودة ومخاوفها](#) January 21, 2025;

The Washington Institute for Near East Policy, [Lebanese Hezbollah's Islamic Resistance in Syria](#) April 26, 2025

²⁶ UNHCR, [Regional Flash Update 17# - Syria Situation Crisis](#) January 30, 2025

²⁷ Anadolu Agency, [وزير لبناني: ٨٥ ألف شخص وصلوا من سوريا إلى لبنان](#) December 26, 2024



International organizations have provided limited aid to collective shelters, but essential items such as blankets, pillows, heating, fuel, and hygiene facilities are lacking, amid winter weather conditions.^{28,29} The Lebanese state – struggling to support Lebanese IDPs from the 2024 Lebanon War and to fund reconstruction efforts – is unlikely to have the resources to assist displaced Lebanese from Syria.

This displacement wave has stalled since mid-December,³⁰ suggesting further significant inflows of Syrian minorities are unlikely, barring greater upheaval in Syria. Continued lack of economic opportunities in Syria and ongoing conflict in the east of the country have the potential to trigger further displacement to Lebanon. On January 23, a security source noted that hundreds of Syrians – most of them from northern and northeastern Syria – were being smuggled daily across the border.³¹

Refoulement, voluntary returns, and restrictions

The fall of the Assad regime has fueled calls in Lebanon to forcibly return the approximately 1.5 million Syrian refugees³² to their home country. The 2024 Lebanon War spurred 396,523 Syrian nationals to return home by the time the CoH went into effect on November 27,³³ a round of displacement that has been cited by Lebanese politicians as justification for the return of displaced Syrians to their home country.³⁴ Since 2017, Lebanese authorities have attempted to enact “voluntary” repatriation campaigns for Syrian refugees, including a July 2022 plan to return 15,000 a month.³⁵ While these plans have not been carried out, Lebanese security services have conducted arbitrary arrest campaigns targeting Syrian nationals and deported 13,772 Syrians in 2023 and 4,345 in 2024 (through October).³⁶ On January 23, Lebanon’s newly elected President Joseph Aoun called for the return of Syrian refugees,³⁷ and on February 17, the newly formed Lebanese government approved a draft ministerial statement to this effect.³⁸

While there is political will in Lebanon for the forced repatriation of Syrian refugees, it is unlikely that the Lebanese authorities will be able to implement a wide scale refoulement plan soon. Lebanon’s divided political elite will likely focus on other pressing issues – such as postwar reconstruction and financial restructuring – which could lead to deadlock that stalls work on a repatriation policy.

²⁸ UNHCR, [Regional Flash Update #12 - Syria Situation Crisis](#) January 30, 2025;

UNHCR, [Regional Flash Update #9 - Syria Situation Crisis](#) January 10, 2025

²⁹ Asharq Alawsat, [النازحون السوريون في لبنان... شتاء قاس وشح في المساعدات](#) January 12, 2025

³⁰ On January 10, 2025, UNHCR said that the numbers of newly displaced “have remained quite static since the fall of the previous government in Syria.” As of February 12, the Lebanese government’s Disaster Risk Management reported that 93,300 Syrians and Lebanese who fled Syria since December 2024 were in the Baalbek-Hermel Governorate, according to the UNHCR.

UNHCR, [Regional Flash Update #4 - Syria Situation Crisis](#) December 16, 2024;

UNHCR, [Regional Flash Update #9 - Syria Situation Crisis](#) January 10, 2025;

UNHCR, [Regional Flash Update - 14# Syria Situation Crisis](#) February 13, 2025

³¹ Al-Modon, [فوضى التهريب والسلاح](#) January 23, 2025

³² UNHCR, [Lebanon](#) February 7, 2025

³³ NNA, [تقرير لجنة الطوارئ الأسبوعي الرقم ٥٠](#) November 29, 2024

³⁴ Tayyar.org, [Bassil: Confronting Israel Requires Responsible Stances Beyond Internal Politics](#) October 7, 2024;

NNA, [جعجع آثار مع بلاسخارت مسألة النزوح](#) October 2, 2024

³⁵ L’Orient Today, [Mikati: Refugee returns to Syria a ‘priority’](#) December 1, 2022;

L’Orient Today, [While refugee return plan flounders, Syrians in Lebanon face deportation risk](#) August 13, 2022

³⁶ UN Security Council, [Implementation of Security Council resolution 1701 \(2006\) during the period from 21 October 2023 to 20 February 2024](#) March 8, 2024;

UN Security Council, [Implementation of Security Council resolution 1559 \(2004\)](#) October 9, 2024

³⁷ NNA, [الرئيس عون طلب من الأمم المتحدة المباشرة بتنظيم مواكب عودة النازحين السوريين ودعمها والتقني رياضي وأكد دعمه للصليب الأحمر؛ لوقف التسلسل عبر جانيي الحدود غراندني: السلطات السورية طلبت إعادتهم بصورة تدريجية](#) December 23, 2025

³⁸ El Nashra, [مجلس الوزراء يقر البيان الوزاري](#) February 17, 2025



Indeed, Lebanon's inability to implement refoulement plans in the past suggests that it would struggle to do so without coordination and support from Syria's new leadership. Following a meeting with Syrian President Al-Sharaa on January 11, Lebanon's then caretaker Prime Minister Najib Mikati stated that the two agreed on the need to address the issue of Syrian refugees in Lebanon, without elaborating further.³⁹ As of the date of publication, no working meetings have been held on the issue between Syrian and Lebanese officials.

Notably, a significant number of Syrian refugees in Lebanon could voluntarily return to their home country over the coming years. In January, a UNHCR survey of Syrian refugees across the region found that 24% of those in Lebanon, or approximately 355,000 people, planned to return to Syria the coming year.⁴⁰ In April 2024, only 2% of surveyed Syrians expressed a willingness to return to their home country. Of the Syrians who do not intend to return in the coming year or are undecided, 56% (approximately 629,000) intend to return to Syria in the coming five years. Those surveyed indicated that they were seeking access to their former homes and livelihood opportunities in Syria, as well as improved safety and security, before deciding to return.⁴¹ For the time being, UNHCR and Lebanese security sources have reported limited returns of Syrians since the fall of the Assad regime.⁴²

Notably, while conditions in Syria could improve in coming period, they are not currently conducive to large-scale returns. According to UNHCR, "[...] many families have little shelter and few economic prospects", with the IOM highlighting "massive winterization needs across Syria for people uprooted or returning to the country", and OCHA noting that "restoring water and electricity supply, among other basic services, remains challenging across Syria due to insecurity and infrastructure damage".⁴³

Humanitarian actors should anticipate that Syrian refugees in Lebanon could be subject to additional restrictions, reflecting ongoing anti-Syrian sentiment partially fueled by the 2019 economic collapse and the ensuing pressures that this has placed on host communities.⁴⁴ Since the CoH went into effect on November 27, 2024, at least 27 municipalities have imposed additional restrictions on the return of Syrians displaced during the war.⁴⁵ Anti-Syrian sentiment, stoked by Lebanese politicians calling for the return of refugees, could provoke increased tensions between host communities and Syrians. This could lead to a reprise of anti-refugee violence similar to spring 2024, when vigilantes attacked refugees following the murder of a local political official, that was blamed on Syrians.⁴⁶

³⁹ Reuters, [Syria's al-Sharaa meets Lebanese PM in bid to improve long-fraught ties](#) January 11, 2025

⁴⁰ UNHCR, [Flash Regional Survey on Syrian Refugees 'Perceptions and Intentions on Return to Syria'](#) February 6, 2025

⁴¹ Ibid.

⁴² UNHCR, [Regional Flash Update #5 - Syria Situation Crisis](#);

An-Nahar, [مصدر أمني لبناني لـ«النهار»: نسبة السوريين العائدين إلى سوريا](#) January 11, 2025

⁴³ UN News, [More than 125,000 refugees return to Syria in desperate conditions](#) January 9, 2025

⁴⁴ BBC, [Lebanon's shift from safe haven to hostile country for Syrian refugees](#) May 27, 2024

⁴⁵ UNHCR, [Lebanon: Flash Update #54](#) January 11, 2025

⁴⁶ The Guardian, ['If they see a Syrian, they beat them up': the refugees living in fear in Lebanon](#) May 8, 2024



Humanitarian Aid

Humanitarian actors should expect sharp cuts in funding for programs in Lebanon. US President Donald Trump signed an executive order on January 20 that suspended all US foreign assistance – with some exceptions⁴⁷ – including for programs and projects in Lebanon. All suspended programs, worldwide, will be reviewed by the Trump Administration. It is likely that this will cause logistical challenges as well as cutbacks for key humanitarian programs. A crunch in global aid funding could lead to resources being redirected from Lebanon to Syria. The UN's flash appeal for its 2025 Lebanon Response Plan, which covers aid for Syrian refugees, has so far raised only 10.58% of its goal of 371.4 million US dollars (USD). Meanwhile, the UN has raised 9.12% of a targeted USD 1.2 billion for humanitarian programming in Syria.⁴⁸

Rising anti-Syrian sentiment in Lebanon could threaten humanitarian operations aiding Syria refugees. On February 6, Ibrahim Kanaan, head of the Lebanese Parliament's Finance and Budget Committee, said he was drafting a bill that would bar Lebanese banks and money transfer organizations from disbursing aid from local and international organizations, including UNHCR, to Syrian refugees within the country.^{49,50} Although the parliament may not enact the law – at least in its current form – humanitarian organizations should expect future restrictive measures involving aid deliveries to Syrian refugees, especially if calls for refugee refolement continue to gather political backing in Lebanon.

⁴⁷ The Secretary of State may waive the pause in aid for specific programs, which has been done in the case of military assistance to Egypt and Israel. Reuters, [US issues broad freeze on foreign aid after Trump orders review](#) January 25, 2025;

White House, [Reevaluating and realigning United States foreign aid](#) January 20, 2025

⁴⁸ In its funding update, UN OCHA said as of February 18, 2025 that funding coverage for its Syria humanitarian response in 2025 was 9.12%. UN OCHA, [Syria](#) February 11, 2025

⁴⁹ L'Orient Today, [Ibrahim Kanaan seeks to bar Syrian refugees in Lebanon from accessing aid locally](#) February 6, 2025

⁵⁰ Ibid.



Economic Impact

Cross-border trade

The fall of the Assad regime has significantly complicated cross-border trade, both formal and informal. Thus far, developments in Syria have had limited effects on the Lebanese economy, which had already redirected trade from overland routes to sea ports following the start of the Syrian Civil War in 2011.⁵¹ In 2023, Lebanon exported USD 236 million worth of products – 5.7% of the country's total exports – via its land border with Syria.⁵² Approximately USD 60 million worth of these goods were bound for each of Iraq and Jordan, while USD 100 million worth was exported to Syria. Lebanon imported USD 420 million worth of goods via Syria in 2023, 2.3% of its total import bill.^{53,54} These figures mark a significant drop in overland exports since 2011, when their value was USD 925 million and made up 21.7% of Lebanon's total export bill.⁵⁵ While formal cross-border trade flows account for a small percentage of Lebanon's total imports and exports, they are important for Lebanon's agricultural sector, which in 2023 exported 21.7% of its products in this manner.⁵⁶

In the long-term, Lebanon has the opportunity to benefit from boosted overland trade and reduced transport costs if Syria's new authorities secure transport networks leading to Turkey, Iraq, and Jordan and implement an efficient regime of inspections and customs fees with Lebanon. Notably, a 2015 World Bank study found that a Lebanese exporter had to pay three times higher transport fees for maritime shipments of its products to Iraq compared to its previous overland shipments.⁵⁷ Also, expected sanctions relief on Syria could boost the market potential of the country as a destination for products exported or re-exported from Lebanon.

⁵¹ World Bank, [The Impact of the Syrian Conflict on Lebanese Trade](#) April 2015

⁵² Lebanese Customs, [Trade Statistics - Annual Statistics By Customs Offices \(Abboudieh, Arida, Masnaa and Kaa\) and Countries \(All Countries\) \(Export General\) \(2023\)](#) February 10, 2025;

Lebanese Customs, [Trade Statistics - Annual Statistics - By Customs Offices \(All Offices\) \(Export General\) \(2023\)](#) February 10, 2025

⁵³ Lebanese Customs, [Trade Statistics - Annual Statistics - By Customs Offices \(All offices\) and Country \(All Countries\)](#) February 10, 2025

⁵⁴ The Institute of International Finance estimated a higher level of illicit trade worth about USD 3 billion between Lebanon and Syria.

L'Orient Today, [Can Lebanon benefit from a potential recovery of the Syrian economy?](#) January 2, 2025

⁵⁵ LCAT analyzed Lebanese customs figures for exports via the Masnaa, Abboudieh, Arida and Kaa border crossing with Syria since January 2011, the oldest available statistics, provided by BlomInvest Bank's Brite Indicators and Trends platform.

BlomInvestBank, [Brite](#) February 19, 2025

⁵⁶ Lebanese Customs, [Trade Statistics - Annual Statistics - By HS1 and Customs Office \(All Offices\)](#) February 10, 2025

⁵⁷ World Bank, [The Impact of the Syrian Conflict on Lebanese Trade](#) April 2015

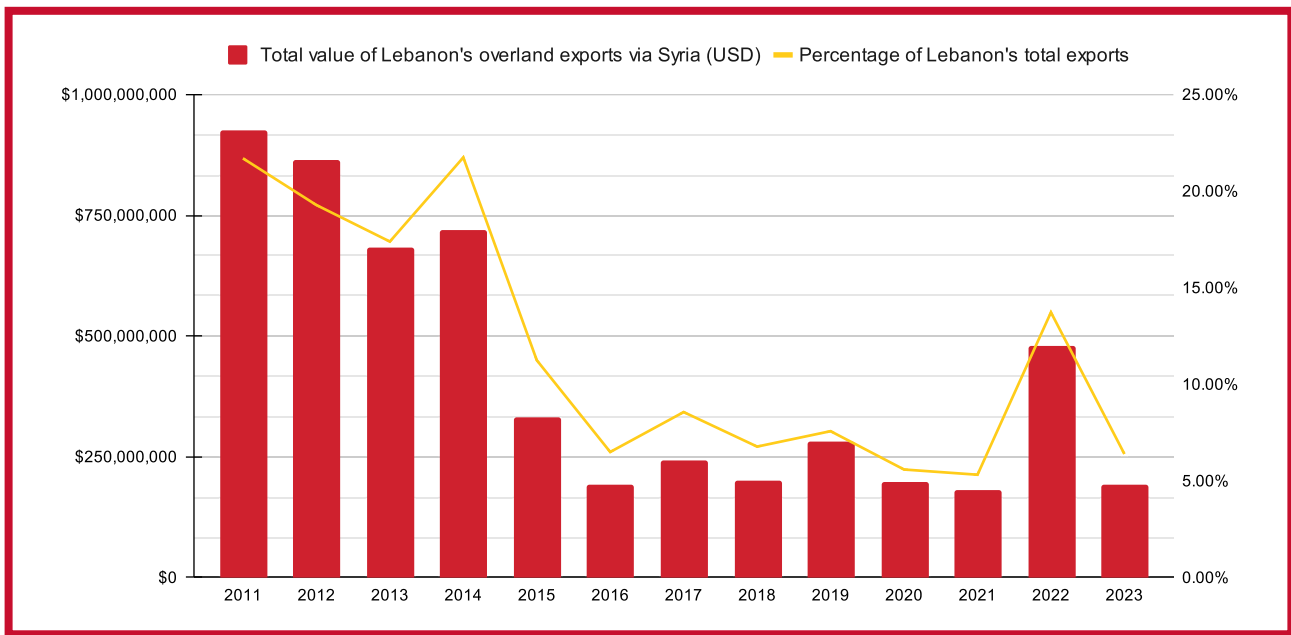


Figure 3: Total value of Lebanon's exports via land border crossings with Syria (in USD) and their percentage of Lebanon's total export bill per year. (Data via Lebanese Customs and BlomInvest Bank)

In early January, the Bekaa Farmers Association warned that new fees and inspection mechanisms for goods entering Syria from Lebanon have slowed exports and made them more expensive. It also stated that Lebanon's agricultural exports were "stagnant and minimal" due in part to Syrian measures that served as obstacles for exports.⁵⁸ Meanwhile, Lebanon's overland trade to Iraq has come to a halt since Iraq closed its border after the fall of the Assad regime, with commerce across the Iraq-Syrian border expected to restart shortly.⁵⁹ It is unclear how much overland exports have decreased since the fall of the Assad regime due to a lack of recent data from Lebanon's customs authorities – reports on the trend are anecdotal in nature. Lebanon's agricultural sector has already suffered at least USD 1.1 billion of losses from the 2024 Lebanon War due to destroyed crops and livestock, and the displacement of farmers leading to missed harvests in southern Lebanon and the Bekaa.⁶⁰ Additional obstacles to agricultural exports through Syria would compound challenges already facing the sector, which accounts for 80% of local GDP in Lebanon's peripheral and impoverished regions of Akkar, northern Bekaa, and southern Lebanon.⁶¹

⁵⁸ Al-Modon, [التهديب من سوريا: اشتباكات الجيش صورة عن الصعوبات المنتظرة](#) January 4, 2025;

Lebanon24, [تحديات جديدة.. القيود السورية تضيق الخناق على مزارعي لبنان](#) January 26, 2025

⁵⁹ Kurdistan24, [Iraq, Syria set to resume trade with new joint border crossing](#) February 10, 2025

⁶⁰ World Bank, [Lebanon Interim Damage and Loss Assessment \(DaLA\)](#) November 15, 2024

⁶¹ UNDP, [Gaza War: preliminary findings on the socio-economic and environmental impact on Lebanon](#) December 18, 2023

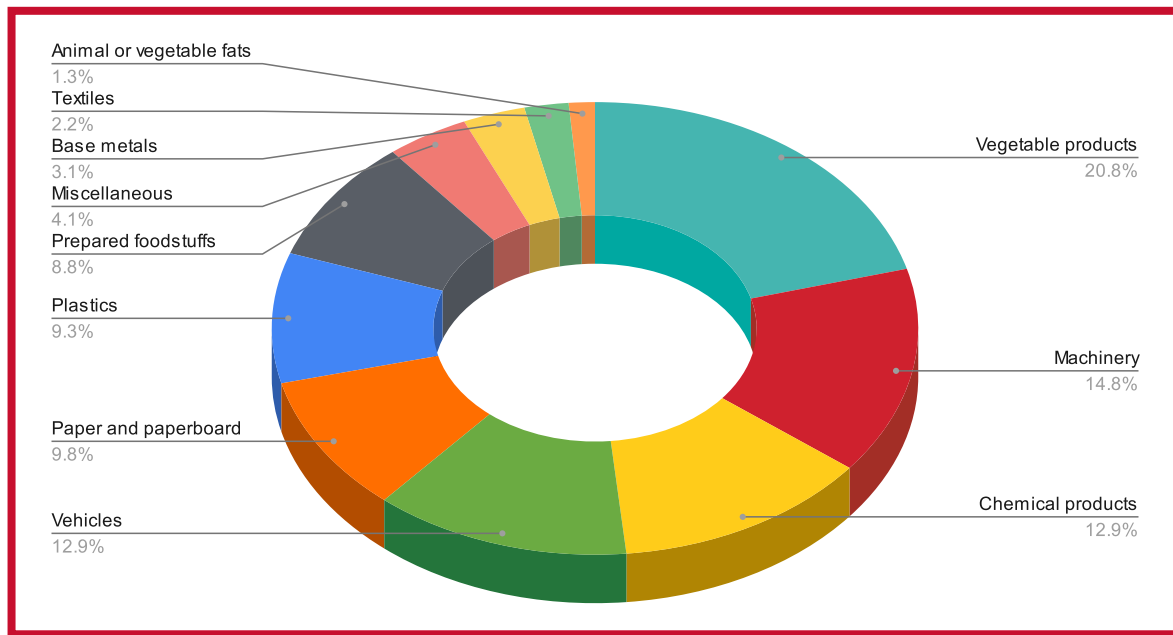


Figure 4: Breakdown of Lebanon's exports via land border crossings with Syria in 2023, using the latest Lebanese Customs statistics.

Agricultural goods' smuggling into Lebanon has reportedly surged since the fall of the Assad regime, disrupting local markets, although there is a lack of firm data on this alleged trend.⁶² The Bekaa Farmers Association warned that it would take action if agricultural goods smuggling into Lebanon persists and local farmers continue to be undercut by Syrian produce.⁶³ According to media reports and agriculture sector figures, these smuggled goods include fruits,⁶⁴ vegetables, dairy,⁶⁵ and poultry,⁶⁶ some of which reportedly originate from Turkey. In a letter to Lebanon's security institutions, Abbas Hajj Hassan, the caretaker Minister of Agriculture in Lebanon's previous government, called for efforts to stymie smuggling – reportedly thousands of tons of products a day. Smuggling also deprives Lebanon of customs taxes, as the cash-strapped state scrambles to raise revenues.

Fuel smuggling from Lebanon and Syria has once again surged due to shortages in Syria and price differentials between both markets,⁶⁷ but Lebanon is unlikely to suffer a prolonged fuel crisis as it did in the spring and summer of 2021.⁶⁸ At that time, Lebanon's central bank was subsidizing fuel prices and delaying the issuance of letters of credit to bring in highly limited quantities of diesel and gasoline.⁶⁹ Currently, Lebanon's fuel importers can source fuel unhindered by Lebanon's former subsidy regime as long as consumers, including smugglers, are willing to pay cash for it. In the long-term, potential sanctions relief on Syria could present an opportunity for Lebanon's fuel importers to act as re-exporters, which would serve as a stream of legitimate inflows of hard cash to Lebanon's economy and a potential source of revenues for the Lebanese state based on potential customs fees.

⁶² Lebanon24, [تجديات جديدة... القيود السورية تضيق الخناق على مزارعي لبنان](#), January 26, 2025;

An-Nahar, [المنتجات الزراعية السورية تغرق السوق اللبنانية](#), February 1, 2025

⁶³ L'Orient Today, [Bekaa Farmers threaten action over surge in smuggling of Syrian and Turkish produce](#), January 4, 2025

⁶⁴ L'Orient Today, [Smuggling resumes at illegal crossing points in Akkar](#), January 24, 2025

⁶⁵ L'Orient Today, [Tarchichi calls for 'urgent action against agricultural smuggling'](#), January 3, 2025;

An-Nahar, [المنتجات الزراعية السورية تغرق السوق اللبنانية](#), February 1, 2025

⁶⁶ MTV, [دجاج تركي يغزو الأسواق اللبنانية... وماذا عن الأسعار](#), January 24, 2025

⁶⁷ Al-Akhbar, [فروقات الأسعار تراوح بين 16.8 دولاراً و7.6 دولارات: عودة تهريب البنزين إلى سوريا](#), January 22, 2025;

An-Nahar, [أين تقف العوائق في شرق لبنان من الترتيبات الأمنية على الحدود مع سوريا](#), February 4, 2025

⁶⁸ L'Orient Today, [Gasoline remains gold dust to motorists despite steps to ease shortages](#), July 1, 2021

⁶⁹ L'Orient Today, [One man's crisis is another man's livelihood: A parallel market initiative nourished by the fuel shortage](#), July 9, 2021



Potential for Syria sanctions relief

Lebanese business figures and analysts have touted the potential for international sanctions relief on Syria to produce a windfall for Lebanon,⁷⁰ although optimism in the near term should be tempered as Western states gradually unwind a wide-scale sanctions regime. Any significant rollback of US sanctions on Syria would likely lead to a surge in investment in the country while boosting trade and presenting reconstruction opportunities for Lebanese companies that enter the Syrian market.⁷¹ However, as of publication, the outgoing Biden Administration had only instituted highly limited easing of sanctions – aimed at facilitating humanitarian assistance and public services⁷² – while the Trump Administration has yet to adopt a clear policy on Syria sanctions. On December 23, the US renewed the Caesar Syria Civilian Protection Act, extending the powerful package of sanctions through the end of 2029.⁷³ The Caesar Act introduced a regime of secondary sanctions measures, which expanded US sanctions on Syria to potentially target any foreign national or business conducting transactions with Damascus that are prohibited by Washington.⁷⁴ For example, a Lebanese businessperson or company attempting to engage in reconstruction activity in Syria would be at risk of punitive actions under the Caesar Act and would be unlikely to access banking services for any such activity.⁷⁵ On February 24, the European Union lifted its sanctions on Syria's energy and transport sectors while allowing limited transactions with Syrian banks.⁷⁶ This sanctions relief might grant limited opportunities for Lebanese businesses, though continued US sanctions effectively supersede this move as international banks rely on access to the US financial system.⁷⁷

In mid-January, Lebanon's then caretaker Minister of Energy and Water Walid Fayyad reportedly petitioned the US for Lebanese fuel importers to be permitted to re-export fuel to Syria.⁷⁸ This came after the US issued a sanctions waiver on January 6 allowing for certain transactions in Syria's fuel sector.⁷⁹ However, the US reportedly denied the request, stating that waivers are intended for humanitarian purposes – not private business – and that the Caesar Act prevents such trade.⁸⁰ The reported incident highlights the complexity of US sanctions regimes and their ongoing chilling effect on any potential business opportunities in Syria for Lebanese firms.

⁷⁰ This is Beirut, [The Caesar Act: Implications for Syria and Lebanon's Economy After Assad](#) December 14, 2024; L'Orient Today, [Can Lebanon benefit from a potential recovery of the Syrian economy?](#) January 2, 2025

⁷¹ Ibid.

⁷² US Department of the Treasury, [General License No. 24](#) January 6, 2025

⁷³ US Department of Defense, [Biden Signs National Defense Authorization Act Into Law](#) December 23, 2024

House Armed Services Committee, [Full Text of NDAA 2025](#) February 11, 2025; Section 5123 of [NDAA 2025](#) extends the Caesar Act until December 31, 2029

⁷⁴ Carter Center, [U.S. and European Sanctions on Syria](#) September 2020;

Dow Jones, [What are Secondary Sanctions?](#) February 10, 2025

⁷⁵ US State Department, [Caesar Syria Civilian Protection Act](#) June 17, 2020

⁷⁶ Council of the European Union, [Syria: EU suspends restrictive measures on key economic sectors](#) February 24, 2025

⁷⁷ After the US withdrew from the Joint Comprehensive Plan of Action (JCPOA) with Iran in 2018, it reintroduced sanctions on Iran and rolled out new secondary ones, while the EU continued its policy of sanctions relief against Iran. The US secondary sanctions effectively prevented firms worldwide, including in Europe, with US interests from pursuing business in Iran, even after the EU issued a blocking statute specifying that complying with these US sanctions was against EU regulations.

Lawfare, [How U.S. Sanctions Affect Europe's Leverage in the Iran Deal Dispute Resolution Mechanism](#) February 13, 2020;

European Council on Foreign Relations, [Meeting the challenge of secondary sanctions](#) June 25, 2019;

L'Orient Today, [Understanding US sanctions and Lebanon's place on the front lines of financial warfare](#) October 23, 2020

⁷⁸ LBCI, [Lebanon weighs options after US move: Fuel smuggling or legal trade with Syria?](#) January 21, 2025;

Al-Akhar, [فروقات الأسعار تراوح بين 16.8 دولارا و7.6 دولارات: عودة تهريب البنزين إلى سوريا](#) January 22, 2025

⁷⁹ US Department of the Treasury, [General License No. 24](#) January 6, 2025

⁸⁰ LBCI, [Lebanon weighs options after US move: Fuel smuggling or legal trade with Syria?](#) January 21, 2025



Lebanon could potentially benefit from sanction waivers that facilitate a deal signed in June 2022 for the provision of natural gas to fuel Lebanon's public electricity network. The US-backed deal, slated to be financed by the World Bank, called for the transit of natural gas via Syria, which requires US sanction waivers.⁸¹ While Fayyad has partially blamed the Caesar Act for stalling the deal,⁸² Lebanese leaders have not implemented electricity sector reforms that are prerequisites for executing the plan.⁸³ If Lebanon's new government undertakes such reforms, Washington could likely dust off the 2022 deal and facilitate its implementation with waivers. A surge in state electricity provision would provide a major boon for Lebanon and ease dependence on informal networks of "back-up" diesel generators, which emit pollutants, cost users more, and deepen economic inequality.⁸⁴

In the long term, any economic boost for Lebanon from the potential rollback of sanctions on Syria and potential boom in reconstruction activity requires a reform of Lebanon's financial sector. Since the start of the financial crisis in fall 2019, the country's banks have almost wholly ended their core financial services of providing loans, including trade credit facilities, and serve instead as conduits for wiring funds into and out of the country.⁸⁵ With restructuring, a revived Lebanese banking system could finance trade via Lebanon's ports overland to Syria for reconstruction and other activities. Without such reforms and with ongoing sanctions on Syria, Lebanon runs the risk of growing inflows of cash from Syria aimed at sanctions-busting sourcing of goods via Lebanese banks. The growth of the cash economy in Lebanon and its potential for facilitating money laundering already contributed to Lebanon being grey listed by the Financial Action Task Force on October 25, 2024.⁸⁶

Tensions over Syrian deposits in Lebanese banks

Syria's new leadership appears to be prioritizing a favorable resolution concerning Syrian deposits trapped in Lebanon's collapsed financial system, which could translate into contentious negotiations. Following a January 11 meeting with then caretaker Prime Minister Najib Mikati, Syrian President Al-Sharaa said he discussed the issue of Syrian deposits, without elaborating further.⁸⁷ Estimates of the volume of these deposits vary greatly, with deposed Syrian President Bashar al-Assad saying in 2020 there might have been between USD 20 to 42 billion in Lebanese banks,⁸⁸ while a former official in Lebanon's Banking Control Commission said the figure did not exceed USD 3 billion.⁸⁹ Banking sources told a Lebanese outlet that financial restructuring would result in a return of deposits (or parts of them assuming a haircut) to individual depositors and not the Syrian state.⁹⁰ However, the Syrian state will likely demand that any deposits held by former Syrian regime figures or affiliated business figures be returned to the state, in line with past precedents of new regimes demanding assets held by deposed figures.

⁸¹ L'Orient Today, [Officials sign Egyptian gas import deal, but its implementation is far from imminent](#) June 21, 2022;

L'Orient Today, [Walid Fayad criticizes 'politicization' of petroleum and gas exploration, blames Total](#) January 24, 2025

⁸² Independent Arabia, [وزير الطاقة اللبناني: هؤلاء أغرقوا البلاد في العتمة](#) August 30, 2024

⁸³ NOW Lebanon, [Breaking the Cycle: Can Lebanon Overcome its Resistance to Reform?](#) September 4, 2024

⁸⁴ Human Rights Watch, ["Cut Off From Life Itself" Lebanon's Failure on the Right to Electricity](#) March 9, 2023

⁸⁵ LCAT, [Financial Risks for Cash Actors](#) May 2024

⁸⁶ FATF, [Jurisdictions under Increased Monitoring](#) October 25, 2024;

Arabian Business News, [Lebanon's cash economy surge drives FATF grey-listing concerns](#) October 23, 2024

⁸⁷ Al-Jazeera, [Lebanon's PM meets Syria's de facto leader in Damascus](#) January 11, 2025

⁸⁸ The New Arab, [Assad blames Lebanese banking controls for Syria's economic crisis](#) November 5, 2020

⁸⁹ An-Nahar, [ما حجم الودائع السورية التي أشار إليها الشرع](#) January 14, 2025

⁹⁰ Ibid.



Credit: Katy Long

Humanitarian and Development Outlook:

Rising displacement from Syria, worsening humanitarian conditions, and increasing social tensions – between host communities and refugees and among Syrian refugees themselves – necessitate a comprehensive response. Assistance should prioritize safe, voluntary, and dignified returns while reducing aid dependency through livelihood programs for both Lebanese and Syrians. Strengthening legal services for documentation, particularly birth registration, is also critical. Humanitarian efforts must scale up emergency response capacities – including shelter, food security, and winterization aid – to address the needs of newly displaced populations. Complimenting this, targeted support to vulnerable Lebanese and investments in host community infrastructure – such as basic services and conflict resolution mechanisms – is essential to reducing tensions over resource allocation and mitigating the rise of anti-Syrian sentiment.

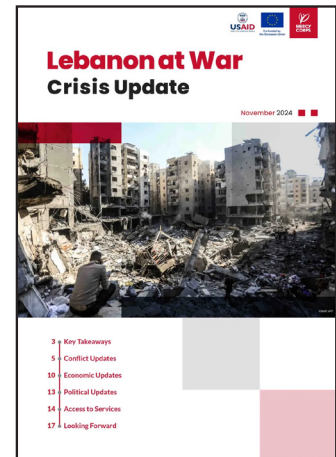
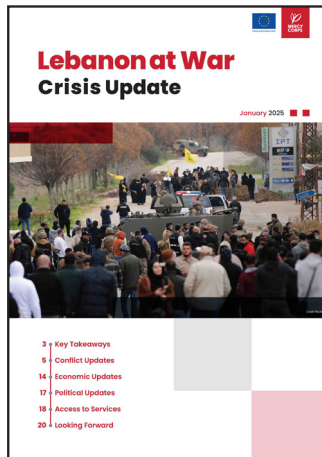
To ensure long-term stability, crisis preparedness must be reinforced through contingency planning for potential new displacement waves, improved border security, and early warning systems to monitor security and economic trends. Strengthening crisis management through enhanced data collection on refugee movements and cross-border dynamics will be crucial for an effective and coordinated humanitarian response. Economic resilience must also be prioritized, including supporting Lebanese farmers and businesses affected by disrupted trade, stabilizing supply chains, and expanding access to alternative export markets to mitigate economic pressures. Immediate interventions, such as fostering retail partnerships, improving market accessibility for local producers, and reducing production costs, will be particularly beneficial in vulnerable regions like Akkar, Bekaa, and southern Lebanon.



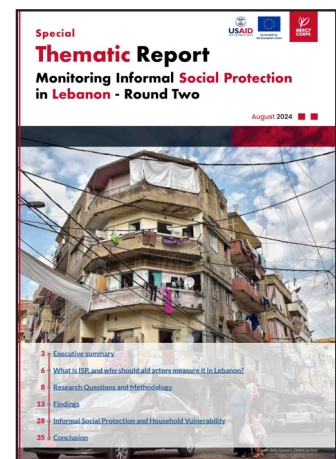
A market-based approach can help sustain local agriculture by supporting SMEs, providing technical training, and advocating for public procurement of local products. Addressing the root causes of smuggling through alternative livelihood opportunities is also key to tackling illicit trade. For Syrian returnees, economic resilience-building measures should be implemented before their reintegration into the Syrian job market, as differences in income levels, employment demand, and service provision between Lebanon and Syria may pose challenges. Many refugees have gained experience as day laborers,⁹¹ which could be leveraged upon return, while others may require skills training to adapt to an evolving labor market with limited access to education and vocational opportunities. A holistic strategy that integrates humanitarian assistance, economic stabilization, and policy engagement will be essential to addressing both immediate needs and long-term recovery.

⁹¹ UNHCR, [VASYR — 202 Vulnerability Assessment of Syrian Refugees in Lebanon](#) January 25, 2022

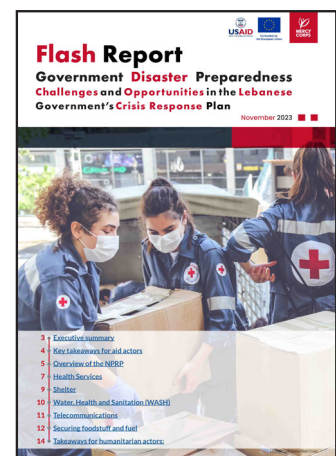
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