

## Al-Sharaa's Third Visit to Riyadh: Economic Interests Drive Syrian-Saudi Rapprochement



President Ahmad al-Sharaa's recent visit to Riyadh marks a significant milestone in the evolving relationship between Syria and Saudi Arabia, with a strong emphasis on boosting investment and economic cooperation. His trip coincided with the 9th edition of the Future Investment Initiative (FII), during which he held high-level meetings with senior Saudi officials, investors, and business leaders.

At the forefront of discussions were Saudi investments in Syria and their practical implementation. This follows Saudi Investment Minister Khalid Al-Falih's announcement of activating eight previously signed agreements with Syria, worth 8 billion SAR (approximately \$2.13 billion USD), and the establishment of the "Ilaf" investment fund focused on projects within Syria. Damascus, in turn, is seeking to revive its war-ravaged economy through foreign partnerships.

This marks President al-Sharaa's third visit to Saudi Arabia since the fall of Bashar al-Assad's regime. Saudi Arabia was the first country he visited officially after taking office. His second trip included a landmark meeting with former U.S.

President Donald Trump—both visits underscoring the new political openness and economic partnership between Damascus and Riyadh.

### Sharaa's Third Visit: "Syria Offers Opportunities for All"

Arriving in Riyadh on October 28, President al-Sharaa held a series of meetings with Saudi officials, including Foreign Minister Prince Faisal bin Farhan, Interior Minister Prince Abdulaziz bin Saud, and Investment Minister Khalid Al-Falih, alongside international investors. The Syrian delegation was notably large, featuring the ministers of foreign affairs, finance, energy, economy, and telecommunications.

Speaking at a panel discussion during the FII, in the presence of Crown Prince Mohammed bin Salman on October 29, al-Sharaa stated that Syria is "rich in investment opportunities that are open to everyone." He stressed that the country aims to rebuild through investment, highlighting recent reforms to investment laws now ranked among the top ten globally which have drawn interest from major international firms.

Sharaa emphasized Syria's intent to rebuild itself independently, capitalizing on its strategic location as the "Gateway to the East," its human capital, and diverse economy. "Syria is turning a new page and reengaging with the world," he said, adding that the world stands to benefit from this openness. He also noted that Saudi Arabia, under its new vision, has become an "economic compass and a hub for investors."

The 9th FII conference, held in Riyadh from October 27–30 under the theme "The New Compass," brought together over 8,000 participants, 600 speakers, and 20 heads of state. The event featured 250 sessions and workshops aimed at fostering global prosperity through strategic dialogue among policymakers, investors, and business leaders.

### Turning Agreements Into Action

A day before al-Sharaa's arrival, a Saudi-Syrian roundtable took place in Riyadh, attended by ministers and officials from both countries. Discussions centered on improving Syria's investment climate and identifying priority sectors.

During the session, Minister Al-Falih revealed that a land-link project between Riyadh and Damascus would commence soon, and reiterated the activation of eight agreements signed in July at the Saudi-Syrian Investment Forum. He noted the creation of the "Ilaf" fund and the Ministry's focus on developing Syria's phosphate sector, with teams conducting feasibility studies for new projects.

He stressed that Saudi Arabia aims to be a key partner in Syria's economic revival, not only through its own companies but also by attracting broader

international investment.

Syrian ministers echoed a commitment to implementing the agreements and offering regulatory and legislative incentives. Energy Minister Mohammad al-Bashir noted a workshop held with Saudi energy companies, where both sides agreed to move forward on key projects swiftly.

Finance Minister Mohammad Yasar Barnieh described Syrian-Saudi relations as a “strategic, multi-sector partnership.” He revealed that two banks now enable direct transfers from Saudi Arabia to Syria and called for greater Saudi banking presence in Syrian markets. He also mentioned proposals from the Saudi Development Fund to offer Syria concessional loans for development projects.

Economy and Industry Minister Mohammad Nidal al-Shaar emphasized that Syria's participation in the FII signals its serious intent to implement the agreements and move beyond skepticism that they might remain ink on paper. The visit, he said, marks a concrete step toward operationalizing those deals.

Al-Shaar added that the high-level Syrian presence reflects the country's repositioning within the international community. Participating in such a high-profile global forum underscores Syria's reintegration into the international economic arena.

In July, the Saudi-Syrian Investment Forum took place at the “People's Palace” in Damascus, during which 47 agreements and MOUs worth 24 billion SAR (approx. \$6.4 billion USD) were signed.

The deals spanned critical sectors, including industry, real estate, energy, infrastructure, finance, telecommunications, healthcare, agriculture, education, cybersecurity, construction, and logistics.

#### A Focus on Investment-Led Recovery

Investment has been a central theme of President al-Sharaa's economic policy. In a speech on May 14, a day after U.S. President Trump lifted sanctions on Syria, he called on international investors to seize emerging opportunities.

Sharaa reaffirmed Syria's commitment to improving its investment climate, enhancing legislation, and providing incentives to attract both local and foreign capital. In July, he issued Decree No. 114, amending Syria's Investment Law No. 18 (2021).

Speaking to local leaders in Idlib, Sharaa revealed that Syria attracted \$28.5 billion in direct investment during the first seven months of 2025, with projections of reaching \$100 billion by year's end. These investments, he said, are crucial for rebuilding infrastructure, creating jobs, circulating capital, and bringing foreign currency back into the country.

Since taking office, the new administration has prioritized economic revival. In May, Sharaa declared that Syria had begun its “war on poverty.” However, with average GDP growth at just 1.3% over the past five years, economists warn that returning to pre-war levels could take up to 55 years without a dramatic acceleration in recovery.

The World Bank estimates Syria's reconstruction needs at \$216 billion its most conservative estimate. Minister al-Shaar has suggested the true figure could exceed \$1 trillion if modern infrastructure standards are applied.

### Economic Openness as a Path to Stability

Following the fall of Bashar al-Assad's regime on December 8, 2024, and President al-Sharaa's rise to power, Syrian-Saudi ties entered a new era of political openness and bilateral coordination after more than a decade of estrangement driven by the Syrian uprising and Saudi support for the opposition.

Saudi Arabia has played a key role in lobbying for the lifting of U.S. sanctions. In May, Riyadh hosted the first official meeting between Presidents al-Sharaa and Trump. At the time, al-Sharaa declared, “Liberating Syria ensures the region's security for the next fifty years,” and praised Saudi Arabia's strategic economic policies.

Since then, Saudi Arabia has provided aid, grants, and oil shipments to Syria. Alongside Qatar, it helped pay Syria's \$15 million debt to the World Bank and donated 1.65 million barrels of crude oil to support Syria's energy sector.

On October 28, Finance Minister Barnieh announced the signing of an agreement with the UNDP for the disbursement of the Saudi-Qatari grant to cover public sector salaries—amounting to \$28 million per month for three months, renewable.

Despite the economic framing of the visit, Wael Alwan, a researcher at the Jusoor Center for Studies, argued that political dimensions remain central. Syria's repositioning, he said, represents a unique political opportunity not just for Syria and its people but for the broader region.

Speaking to Noon Post, Alwan explained that economic ties are now the gateway to building new political and security alliances in the Middle East. Helping Syria regain its political role must go hand-in-hand with meeting its developmental needs to support the transition process and regional stability.

He added that Syria, now politically repositioned, enjoys a significant geopolitical and geo-economic opportunity to become a hub for stability and development. The failure of Iraq's “Development Road” project meant to connect Basra with European markets has only reinforced Syria's irreplaceable location in the

eastern Mediterranean.

Alwan concluded that this new geopolitical landscape allows Syria and neighboring countries to launch a regional development initiative linking the Arab world to Europe via Turkey, replacing Syria's past role as a flashpoint of regional instability.

### An Economic Lifeline—If Challenges Are Overcome

With each economic initiative, questions arise about the real impact of these moves on Syria's recovery. While the agreements with Saudi Arabia aim to bring tangible change, the scale of Syria's humanitarian crisis remains immense.

Nearly 1.86 million internally displaced people and over a million refugees have returned to their homes, many facing dire conditions due to damaged infrastructure, limited services, and continued insecurity.

Roughly 7 million people remain displaced, including 1.3 million in camps vulnerable to the approaching winter. Around 2.4 million children are out of school, with another million at risk of dropping out.

Benjamin Fev, a senior analyst at Karam Shaar Consultancy, told Noon Post that these Saudi-Syrian investment agreements could become a key engine of Syria's economic recovery if implemented effectively.

Fev said the agreements could bring short-term stability by creating jobs, improving infrastructure such as solar energy plants and raising government revenue, thereby helping curb inflation and unemployment.

In the medium term, the deals could help diversify Syria's economy through investment in agriculture, telecommunications, and industry, laying the foundation for sustainable growth and encouraging broader foreign investment.

Yet significant obstacles remain, including lingering international sanctions, weak institutional capacity, and persistent security risks. Overcoming these challenges will require international coordination. If successful, these agreements could become a vital economic lifeline for Syria's self-reliant future though success hinges on addressing these formidable barriers.