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Flash Executive Summary Report

With the collapse of the Assad regime in Syria, a rare and significant opportunity has emerged to reshape the geopolitical dynamics of the Middle East. However, this path will be far from straightforward. Syria remains a deeply contested space, claimed and influenced by a wide range of actors, including Iran, Russia, Turkey, the Kurds, the United States, Israel, various rebel factions, and Sunni Arab states such as Saudi Arabia and Qatar.

Iran is unlikely to relinquish its foothold in Syria, which plays a central role in its broader ambitions of regional dominance and its enduring hostility toward Israel. Likewise, Russia maintains a vested interest in Syria, not only to sustain its military presence in the Eastern Mediterranean but also to reinforce its strategic influence in the Middle East and project itself as a global power. In addition, while significantly weakened, jihadist groups like Islamic State of Iraq and Syria (ISIS) have proven resilient and will continue to pose a threat to Syria's security and stability for the foreseeable future.

The reality is clear. Many powerful players are vying for influence in Syria, and not all their objectives align with U.S. national interests.

The cost of decades of war has been devastating. An estimated 600,000 Syrians have been killed, 7 million have been displaced as refugees, and the nation faces a staggering \$400 billion in reconstruction needs. Syria's future is burdened by profound humanitarian, economic, and political challenges.

Yet, within this complex and fragile environment lies a fleeting window of opportunity for Syria, the United States, Turkey, Israel, and even the EU to forge a new Middle Eastern framework, one that promotes regional stability, curbs malign influences, and aligns with broader international interests.

This report explores Syria's complex history, analyzes the stakes of each involved party, and examines the historic opportunity to reshape the future of the Middle East.

Syrian History (1940–2010):

Syria gained independence from France on Apr. 17, 1946, though the United States had already established diplomatic relations with the country two years earlier, on November 17, 1944. From the outset, however, the U.S.–Syria relationship has been marked by tension and mutual distrust.

During the Cold War, Syria's foreign policy shifted decisively toward the Soviet Union, with diplomatic ties officially established in July 1944. This alignment deepened after the Ba'ath Party, a secular and socialist political movement, rose to power in 1954.

In 1971, Hafez al-Assad, a military officer and member of the Alawite minority, seized power through a bloodless coup. The following year, Syria signed a peace and security pact with the USSR, solidifying its role as a key Soviet ally in the region.



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The Alawite sect, while distinct from mainstream Shia Islam, shares more theological affinity with Shia than with Sunni Islam, which influenced Syria's closer alignment with Iran over the predominantly Sunni Arab states of the Middle East.

In 1973, Syria, in coordination with Egypt, launched a surprise attack on Israel, initiating the Yom Kippur War. The United States' strong support for Israel during the conflict further strained its relations with Syria. These tensions worsened in 1979 when the U.S. designated Syria a State Sponsor of Terrorism due to its backing of groups such as Hezbollah and its involvement in the destabilization of Lebanon. Eventually, the U.S. imposed economic sanctions on Syria in 1986, citing its continued support for terrorism and regional instability.

Despite decades of hostility, Syria joined the U.S.-led coalition during the 1990 Gulf War, primarily due to Hafez al-Assad's deep opposition to Saddam Hussein, whom he regarded as Syria's foremost regional rival, despite both being Ba'athist leaders.

In 2004, the United States passed the Syria Accountability and Lebanese Sovereignty Restoration Act, further targeting Syria's role in Lebanon and support for terrorist organizations. Tensions escalated again following the 2005 assassination of Lebanese Prime Minister Rafik Hariri, an event widely attributed to Syrian involvement. This led to additional sanctions and greater diplomatic isolation for the Assad regime.

In 2010, Bashar al-Assad, a military officer and the son of Hafez al-Assad, officially assumed full control of Syria following his father's death. That same year, the Arab Spring began in Tunisia, sparking a wave of pro-democracy movements across the Arab world, setting the stage for the nation's future upheaval.

Syrian History (2011–2025):

In March 2011, pro-democracy demonstrations erupted in Syria as part of the broader Arab Spring movement. By mid-2011, these protests had escalated into a full-scale civil war, rapidly transforming into a complex proxy conflict. The United States, Turkey, and Gulf Arab states supported various opposition groups, while Russia, Iran, and China backed the Assad regime.

As the regime responded with violent repression, many members of the Syrian military refused to carry out military operations against civilians. Thousands defected to form the Free Syrian Army (FSA). By mid-2012, nearly 60,000 troops had joined its ranks.

The chaos and power vacuum fueled the rapid formation of armed groups, growing from around 20 to over 200. An attempt at coordination led to the creation of the Supreme Military Command (SMC) to unify rebel efforts and common strategic objectives.

Among the most significant of the new groups was Jabhat al-Nusra, founded by Ahmed Hussein al-Sharaa (better known as Abu Mohammed al-Jolani), a Syrian militant with prior ties to al-Qaeda in Iraq. Al-Jolani, previously imprisoned by the U.S. during the Iraq War, returned to Syria and aligned his new organization with al-Qaeda.

In 2012, Iran formally entered the conflict, deploying Islamic Revolutionary Guard Corps (IRGC)

advisors and mobilizing foreign Shia fighters from Iraq, Afghanistan, and Pakistan to bolster Assad's forces. Despite this, rebel forces gained significant ground: Jabhat al-Nusra seized Aleppo, the SMC took control of border crossings with Iraq, and Kurdish People's Protection Units (YPG) secured large areas in the north.

By 2013, Iran deepened its involvement further, most notably by orchestrating the entry of Hezbollah into the conflict. Meanwhile, Western and regional powers increased pressure on Assad: the U.S., EU, Turkey, and Arab League provided non-lethal aid to the opposition and imposed sanctions. The EU supported neighboring countries hosting refugees, and Syria was expelled from the Arab League.

Though Russia had maintained a naval presence at Tartus since the 1970s and supported Assad diplomatically at the UN, it had not yet engaged militarily.

In 2013, ISIS gained a foothold in eastern Syria. Its leader, Abu Bakr al-Baghdadi, announced a merger with al-Nusra, but al-Jolani rejected the declaration, focusing on Syria rather than al-Baghdadi's vision of a global caliphate. This led to an open conflict between ISIS and al-Nusra.

In August 2013, Assad launched a chemical weapons attack on Ghouta, provoking global outrage. While the U.S. considered military retaliation, it instead negotiated a deal with Russia to dismantle Syria's chemical arsenal. Sanctions and diplomatic condemnation followed.

Throughout 2013, the war fragmented further, and the FSA, SMC, al-Nusra, Kurds, and ISIS were all fighting each other. Rebel coalitions began to splinter, and Assad, with Iran and Hezbollah's help, regained some momentum.

By late 2014, ISIS emerged as the dominant force in Syria, controlling over 60% of the country. That same year, the U.S. formed a 30-nation coalition to combat ISIS, launching airstrikes in support of Kurdish forces, and in early 2015, ISIS suffered its first major defeat in Syria.

Russia formally entered the war in 2015, providing air support and military advisors to Assad. This significantly altered the battlefield, allowing Assad to regain the strategic initiative. Meanwhile, Turkey, alarmed by the growing strength of Kurdish forces along its border, entered Syria to establish a Kurdish-free buffer zone.

Despite his al-Qaeda roots, al-Jolani maintained independence from the global group. In 2016, al-Nusra rebranded as Jabhat Fateh al-Sham, and in 2017, it merged with other rebel groups to form Hay'at Tahrir al-Sham (HTS). Operating mainly in Idlib Province, HTS (though designated a terrorist organization by the U.S. and others) developed a pragmatic relationship with Turkey, united by shared opposition to both Assad and Kurdish militias.

By 2017, ISIS was militarily defeated in Syria. In 2018, Turkey launched a second incursion, expanding its buffer zone to keep Kurdish forces at bay.

Tragically, in 2018, Assad conducted another chemical attack, this time in Douma. Unlike in 2013, this time the U.S., supported by France, responded militarily, targeting a Syrian military installation. al-Assad.

In 2019, the U.S. passed the Caesar Syria Civilian Protection Act, enacting the most punishing sanctions of the conflict. These measures devastated the Syrian economy and further isolated the Assad regime.

That same year, Assad directed his nation's focus on defeating HTS in Idlib. After months of heavy fighting, the campaign failed. A fragile ceasefire was brokered by Turkey, Russia, and Syria, allowing HTS to remain in control of Idlib, a peace that held until 2024.

By 2024, the Assad military was hollowed out by years of corruption, weak leadership, and economic collapse. Assad was caught off guard as HTS, leading a coalition of rebel factions, launched a surprise offensive that culminated in the fall of Damascus and the overthrow of Bashar.

Iran, distracted by its escalating confrontation with Israel, domestic unrest, and economic decline, was unable to intervene. Russia was mired in Ukraine, and Hezbollah had suffered severe losses in its conflict with Israel. Nobody came to Assad's rescue.

In the aftermath, Ahmed Hussein al-Sharaa (Abu Mohammed al-Jolani) emerged as Syria's new de facto leader.

In May 2025, during a summit in Saudi Arabia, President Trump met with al-Sharaa, shook hands, and announced the U.S. would lift all remaining sanctions on Syria.

Sanctions:

Syria remains one of the most heavily sanctioned countries in the world, subject to a dense and layered network of international sanctions primarily imposed by the United States, the European Union, and several allied nations. These measures, significantly intensified since the outbreak of Syria's civil war in 2011, target key sectors of the Syrian regime, most notably energy, defense, banking, and infrastructure, and are intended to isolate the Assad government both politically and economically.

The most comprehensive component of U.S. sanctions policy is the Caesar Syria Civilian Protection Act, enacted in 2020. Named after a Syrian military defector who exposed extensive documentation of torture and human rights abuses in Assad's prisons, the Caesar Act has become the centerpiece of Washington's efforts to pressure the regime. This legislation applies not only to U.S. persons and entities but also includes secondary sanctions, meaning that foreign companies and individuals risk U.S. penalties if they engage in significant transactions with the Syrian government, particularly in sectors such as energy, military procurement, and construction. Because the Caesar Act was extended under the National Defense Authorization Act, any effort to fully lift it now requires an act of Congress, limiting the executive branch's ability to unilaterally unwind the law.

In addition to the Caesar Act, the United States has enforced a wide array of executive orders dating back to 2004. These orders freeze the assets of Syrian officials, prohibit virtually all trade and financial transactions between the U.S. and Syria, and impose sanctions on individuals and institutions deemed to be contributing to regional instability, terrorism, or human rights violations. Key targets have included the Syrian Central Bank, the military and intelligence apparatus, and senior members of the Assad regime.

The European Union has also maintained a robust sanctions regime since 2011. This includes an arms embargo, asset freezes, and travel bans affecting hundreds of individuals and dozens of entities connected to the regime. The EU has prohibited the import of Syrian oil, blocked the export of oil production equipment, restricted investment in Syria's energy sector, and banned the export of surveillance technology. In addition, the EU has frozen all Syrian Central Bank assets held within European jurisdictions.

Countries such as the United Kingdom and Canada implemented similar sanctions, closely aligned with the frameworks established by the U.S. and EU. While many Arab states initially imposed diplomatic and economic restrictions on Damascus, in recent years some, such as the United Arab Emirates, Jordan, and Saudi Arabia, have begun re-engaging with Syria as part of a broader regional recalibration.

A major shift occurred in December 2024 when the United States quietly lifted the \$10 million bounty on Ahmed Hussein al-Sharaa, signaling a notable policy change in Washington's posture toward the new leadership in Syria. The following May, during a summit held in Saudi Arabia, President Trump publicly announced his intent to lift all U.S. sanctions on Syria. While the President possesses the authority to suspend or waive sanctions imposed by executive action, those enacted through legislation, such as the Caesar Act, require Congressional approval to be formally rescinded. Trump credited Saudi Arabia and Turkey with persuading him that lifting sanctions would serve the interests of the United States, Syria, and regional stability more broadly.

Later that month, the U.S. Treasury Department issued a general license authorizing financial and commercial transactions involving the interim Syrian government. Simultaneously, the Secretary of State granted a 180-day waiver under the Caesar Act. Both measures were conditional, with specific requirements placed on the interim government. If these conditions are not met, the U.S. retains the ability to swiftly reinstate sanctions.

Shortly after these developments, the European Union announced its own intention to begin lifting sanctions, with European officials making clear that they too would reserve the right to reimpose sanctions rapidly if the political or security situation in Syria deteriorated.

Winners and Losers in a Post-Assad Syria:

The fall of Bashar al-Assad and the emergence of a transitional government under Ahmad Hussein al-Sharaa have created a new political reality in Syria, one that could reshape the region. While the outcome remains uncertain, it's already clear that some countries stand to gain significantly, while others face notable strategic losses. What follows is an analysis of who wins and who loses in this new era, and what each nation has at stake.

Syria:

Although the guns have fallen silent, Syria's stability is far from assured. The country faces a daunting array of challenges in the aftermath of civil war. Over 90% of the population remains in abject poverty, and basic infrastructure has been devastated. The transitional government, led by al-Sharaa, must still unify a fractured nation: multiple armed groups have yet to join the government, ISIS maintains a (sleeper cell) presence, and the Druze community has not formally aligned with the new leadership. Foreign fighters remain entrenched throughout the country.



Despite these hurdles, Syria has much to offer. With the lifting of U.S. and EU sanctions now underway, Damascus has an opportunity to attract international aid and private investment, particularly in its oil and gas sectors. The promise of development assistance and economic revitalization could prove a powerful incentive to stabilize the country. If Syria succeeds in consolidating the militias, expelling foreign fighters, and establishing competent governance, it could position itself as a strategic partner in the region, one that restrains both Iranian and Russian influence.

Al-Sharaa has pledged (that under the right conditions) he will pursue peace with Israel by joining the Abraham Accords, a move that could further reintegrate Syria into the international community. In doing so, Syria would also demonstrate a commitment to regional stability, while positioning itself as a counterweight to both Tehran and Moscow. The departure of Russian forces would further facilitate rapprochement with the United States, which remains wary of Russian entrenchment in Syria due to its historic alignment with the Assad regime.

United States:

President Trump has indicated his intention to normalize diplomatic relations with Syria and to lift most U.S. sanctions, signaling a major policy shift. However, U.S. support is conditional. The administration has outlined key demands: the removal of all foreign militants, the deportation of Palestinian terrorists, active cooperation in preventing the resurgence of ISIS, the transfer of responsibility for 9,000 ISIS detainees currently held by the Kurdish YPG, and formal recognition of Israel through Syria's entry into the Abraham Accords.

Though unspoken, Washington is also expected to seek trade opportunities with a reconstructed Syria, particularly in its energy sector. There is also speculation in Washington that Syria may be asked to absorb a portion of Palestinian refugees from Gaza. With Syria already hosting over 400,000 Palestinians and grappling with severe economic and infrastructure hardships, this proposal is likely to be controversial and impractical.

Trump's diplomatic overture to Syria appears to have been part of a broader regional strategy. During his May 2025 trip to the Middle East, Saudi Arabia and Qatar announced substantial trade commitments with the U.S., \$600 billion and \$1.2 trillion, respectively. While parts of these deals may be previously negotiated agreements rebranded as new commitments, they illustrate the diplomatic momentum surrounding Syria's reintegration and suggest these Gulf nations played a role in influencing Trump's policy shift.

The United States also appears to be improving its relationship with Turkey, whose support will be crucial in post-war Syria. Turkey is particularly concerned about the Kurdish YPG presence along its southern border and welcomed the U.S. decision to encourage the YPG to join the new Syrian government. Ankara is already offering humanitarian assistance and negotiating military and economic agreements with Damascus.

Strategically, reengaging in Syria offers the U.S. a clear geopolitical advantage. It weakens Russia's position in the Eastern Mediterranean and disrupts Iran's logistical corridor to Hezbollah in Lebanon. If the U.S. consolidates its influence in Syria, it can deny Iran and Russia a foothold in the Levant, thereby advancing its broader regional objectives.



Gulf Arab States:

For Sunni Arab powers like Saudi Arabia and Qatar, Assad's fall and Syria's potential reorientation mark a significant opportunity. These nations have long been concerned about Iranian influence in Syria, Lebanon, and beyond. A stable, Sunni-led government in Damascus aligned with the Gulf states' vision for regional order is an important strategic gain.

Saudi Arabia, in particular, views regional stability as a prerequisite for achieving its Vision 2030 development goals. Constraining Iran's ability to destabilize the Levant and undermining its proxy network are key components of that stability. Support for Syria's reconstruction, therefore, serves both ideological and practical purposes for the Gulf monarchies.

Turkey:

Turkey stands to benefit immensely from Syria's transition. President Erdogan, who participated in the May 2025 summit by video conference, received high-profile praise from President Trump for his role in influencing the U.S. policy shift. This diplomatic recognition enhances Erdogan's stature and advances Turkey's strategic interests.

Turkey views the emergence of a Sunni-led government in Syria as a regional victory against Iran. It also seeks to expand its influence in Syria, positioning itself as a key partner in rebuilding efforts. Ankara is pursuing a defense agreement that would include a Turkish military presence in Syria, a proposal that gains traction as Israel continues to target Syrian military infrastructure and equipment in aerial strikes.

Turkey also has a vested interest in refugee repatriation. Hosting approximately 3.2 million Syrian refugees, Ankara is seeking a structured, long-term plan for their return, one that hinges on improved economic and humanitarian conditions inside Syria.

Finally, Turkey wants the YPG, which it considers part of the PKK, neutralized. Having fought the PKK for decades, Ankara has lobbied Washington to ensure the YPG is integrated into the new government and defanged as a potential threat.

Israel:

For Israel, the situation is far more complex. While normalization with Syria could reduce threats along its northern border, Jerusalem remains deeply distrustful of President al-Sharaa, given his past affiliations. Syria's previous alliance with Iran, as well as its role in hosting anti-Israel militants, casts a long shadow.

Israel is particularly alarmed by Syria's warming relationship with Turkey, a regional rival. President Erdogan's recent inflammatory rhetoric against Israel and reports of a proposed Turkish-Syrian defense agreement have heightened tensions. Israel fears that a strong Turkish military presence in Syria could tilt the regional balance and increase the risk of direct conflict.

Rather than seek diplomatic engagement, Israel has opted for a strategy of containment. It is expanding control of key terrain in southern Syria, justified publicly as a mission to protect the Druze, and continues to degrade Assad-era military infrastructure through targeted airstrikes. These operations serve to weaken Syria's military capabilities and limit its ability to project power near Israeli borders.

If Israel chooses to engage diplomatically with Damascus, it has several bargaining chips. It could negotiate over occupied territory, end its campaign of airstrikes, and open trade channels via the Abraham Accords. However, until Israel is convinced that Syria is truly independent of both Iran and Turkey, rapprochement remains unlikely.

Russia:

Russia emerges as one of the biggest losers in the new Syrian landscape. Moscow has relied on Syria for strategic basing since the mid-20th century, using it to project power into the Eastern Mediterranean, the Middle East, and Africa. Assad's fall and the rise of a U.S.-backed government jeopardize those military footholds and damage Russia's image as a global power.

Although Russia began withdrawing forces after Assad's fall, it has not fully disengaged. Moscow is still negotiating to maintain military bases in Syria. However, its leverage has diminished significantly, especially as U.S. and Arab investments pour into the country. If Syria receives sufficient Western support, it is unlikely to turn back to Moscow for aid.

Iran:

Iran is the other major strategic loser in Syria's transformation. The Islamic Republic is weaker than it has been in decades, facing a deteriorating economy, widespread sanctions, and the unraveling of its Axis of Resistance. Its proxies, Hezbollah in Lebanon, Hamas in Gaza, and the Houthis in Yemen, have suffered heavy losses. Iran's two recent massed rocket and drone attacks on Israel were largely neutralized, and it lost key integrated air defense systems in Israeli strikes.

Most importantly, Iran has lost its land corridor through Syria, which was vital for sustaining Hezbollah. Without it, Iran's ability to threaten Israel and project influence across the Levant is diminished. With Syria now distancing itself from Tehran, Iranian influence in the Levant is on the decline.

Conclusion:

Syria's post-Assad reality presents a rare inflection point in Middle Eastern geopolitics. For the United States, Gulf Arab states, and Turkey, it offers a chance to reshape the region away from Iranian and Russian dominance. For Iran and Russia, it represents a sharp strategic setback. But for Syria itself, the road ahead remains precarious. If the transitional government can unite the country, secure foreign aid, and navigate complex regional demands, it may yet emerge from the ruins as a legitimate and stabilizing force in the Middle East.

Implications:

The collapse of Bashar al-Assad's regime has severed Iran's "Axis of Resistance," disrupting its supply corridor to Hezbollah in Lebanon. Iran has withdrawn its forces from Syria, diminishing its regional influence.

Syria's regime will likely cause Russia's loss of a naval base in Tartus and an airbase in Khmeimim and undermine Moscow's regional influence. These strategic facilities are vital for projecting power into the Eastern Mediterranean Sea, the Middle East, and Africa.

Turkey is well-positioned as a key player in Syria. Turkey's support for HTS and Al-Sharaa enhances its influence over Syria's political trajectory. This strengthens Turkey's regional stature,

elevating it higher than Iran and Russia.

While the weakening of Iran and Hezbollah enhances Israel's security posture, the rise of Sunni Islamist groups near its northern border with Syria presents new challenges. Rather than embracing Syria's new government, Israel is attempting to contain it.

The United States has conditionally eased sanctions on Syria to support reconstruction efforts and counter terrorism. This policy shift aims to stabilize the region and prevent Russia and Iran from regaining a foothold.

Over 90% of Syria's population remains in poverty, with basic infrastructure devastated. The transitional government faces challenges in unifying the nation, consolidating militias, and expelling foreign fighters. International support is critical to ensure stability and prevent the resurgence of extremist elements.

The fall of Assad has prompted some Arab states to re-engage with Syria. This shift reflects a broader regional recalibration, with countries seeking to influence Syria's political future and counterbalance Iranian, Turkish, and Russian influence.

Economic Implications:

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) provided immediate conditional sanctions relief to Syria in May 2025. Simultaneously, the U.S. Department of State issued a conditional waiver of the Caesar Syria Civilian Protection Act, resulting in immediate relief to most sanctions except export controls. While the relief is conditional, the Secretary of the Treasury, under the direction of the President, is encouraging new investment by the U.S. and its allies and partners across the globe in Syria. The lifting of the sanctions enables Syria to participate in the global financial system, which is a precondition of attracting investment for reconstruction, poverty relief, and access to global markets, including in the energy sector and mineral markets.

The impacts of civil war and global sanctions have driven Syria to be among the poorest nations in the world. While Syria has strategic importance in the Middle East, it also has natural resources with untapped potential to participate in regional and global markets economically to improve its domestic production and quality of life for its citizens.

The U.S. Department of Interior's Geological Survey from January 2025 highlights oil as its most significant resource and was the driver of pre-civil war revenues for the country. While its production has been small thus far, it has proven to have large reserves. The economic impact of increased oil supply and providing alternatives for Turkey and India to Russian oil could balance trade and increase economic pressure on Russia. As mentioned earlier, Syria has substantial natural gas reserves as well. While natural gas has been developed for domestic use, with investment, it could also expand regionally and globally, increasing supply in the global markets.

The long-term potential for rare earth minerals is another potential driver of economic value. Industrial minerals are another natural resource that would increase the global supply of phosphate, which is used in fertilizer for the agricultural sector, and construction minerals such as cement materials and marble.



The economic opportunities for Syria and its potential direct foreign investors and trading partners are significant if the country complies in good faith with the conditions of the sanction relief. Without the ability to participate in the global financial system and provide a rule of law to protect investments, financial resources will not be invested by free-market nations. While the U.S. government is encouraging investment, a cautious approach to Syria will likely remain until the new government provides transparency to the world of its intent and ability to create healthy conditions for foreign investors.

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