



**STRATEGY REPORT**  
TESPAM KIZILELMA INSTITUTE

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# FUEL PRICES, THE STREET, AND STRATEGY

*The Anatomy of Syria's Price Debate, the Stability Equation, and  
Turkey's Role, in Light of the 2026 Rupture in Global Product Markets*

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## EXECUTIVE SUMMARY

The fuel-price correction issued by Syria's Ministry of Energy on 13 September 2026 — an adjustment reaching 40 percent on diesel and 28 percent on 95-octane petrol — turned within hours into a street movement spreading across nearly the entire country. Roads were blocked and tyres burned along a corridor running from Hama, Khan Sheikhoun and Maarat al-Numan to the Aleppo–Turkey highway, from southern Hasakah to the Raqqqa countryside and the Deir ez-Zor–Aleppo international road; crude-oil tankers bound for the interior were in places physically prevented from passing (Al Jazeera, 2026a; Enab Baladi, 2026a). That this movement crested almost in the same hours as the unrest that began on 12 September over the killing of a Kurdish-origin soldier in Kobani, and that culminated in a grim prison toll, lifts the episode out of being a simple price dispute and turns it into a stability equation in its own right.

Yet the central thesis of this report is this: the source of the price movement in Syria is not a choice made in Damascus but a historic rupture in global refining and product markets in 2026. Setting aside the tension in crude itself, the real shock struck the middle-distillate front — the US Gulf Coast diesel crack margin crossed the 100-dollar-a-barrel threshold for the first time in history on 17 August 2026, and the ICE gasoil crack set a fresh record of 79 dollars a barrel in early September (RBN Energy, 2026; OilPrice, 2026). A country like Syria, forced to cover the overwhelming share of its consumption with imported finished product and, on top of that, with its one major refinery down for a comprehensive overhaul, would have needed either reserves or externally supplied grants and credit to absorb such a wave without passing it through to the pump; today it has limited amounts of either.

Indeed, even the picture painted by the post-correction prices shows, contrary to the prevailing perception, that Syrian pump prices remain cheap by regional and global standards. As of 13 September, diesel at 1.31 dollars a litre stood against 1.83 dollars in Turkey and 2.35 dollars in the EU-27 average on the same days; Syrian diesel undercuts even Malta, the European Union's cheapest market, at 1.40 dollars (Fuel-Prices.eu, 2026; GZT, 2026). What exists, in short, is not the “extraordinary hike” presented to public opinion but a delayed and still partial pass-through of a global cost wave.

That said, it would equally be an analytical error to dismiss the street reaction as detached from a genuine ground of impoverishment. A price that is cheap in nominal terms can still be unbearable in a society where household income is very low and transport and food costs are directly indexed to fuel. This is precisely the distinction this report tries to draw: the legitimacy of the demand and the exploitation of the movement are not the same thing. The street is right to say the burden is heavy; it is not right to drag the country back into a prolonged spiral of chaos on the strength of that grievance.

For the strategic beneficiary of such chaos is not hard to identify. The actor that regards the strengthening of Syria's central authority, the SDF's dissolution into the army as of 25 August 2026, the effective end of the sanctions regime once Syria was removed from the terrorism list on 24 August, and the consolidation of Turkey's standing in the country as contrary to its own

security doctrine is the same actor that struck the Abu al-Duhur air base in Idlib on 18 August on the stated grounds of a possible Turkish deployment — namely Israel (Security Council Report, 2026). In this equation energy prices are, beyond being an economic indicator, the cheapest lever available for triggering social fragility.

Within this framework, the report's core findings are as follows:

- ◆ The price increase originates not in a domestic choice but in the global supply rupture that struck product markets in 2026. The disabling of a substantial share of Russian refining capacity by drone strikes, the attacks along the Black Sea route, sanctions, the export restrictions Russia has floated, disruptions along the Hormuz corridor and China's export curbs have combined to drive the distillate market into a historic squeeze.
- ◆ Even after the correction, Syrian pump prices sit roughly 28 percent below Turkey's and about 44 percent below the EU-27 average; the claim of an "exorbitant price" therefore does not survive an international comparison.
- ◆ The real problem is not the level of the price but the inability of household income to cover it. The remedy accordingly lies not in suppressing the price but in targeted income support paired with expanding supply capacity.
- ◆ The short-term relief obtainable from selling below market price would repeat, in fuel, the experience that cost the electricity sector roughly a billion dollars a year in losses — which amounts to trading away tomorrow's investment capacity to rescue today.
- ◆ Across the spectrum from natural-gas and electricity supply to refining and distribution infrastructure, from procurement financing to technical capacity, Turkey is the only comprehensive partner capable of helping Syria round this corner with the least possible damage.

**I****INTRODUCTION: BEYOND A SINGLE PRICING DECISION**

One of political economy's oldest lessons is that fuel prices are never, in any country, merely a line item of cost. Fuel is the load-bearing column of an entire chain of life, from transport to agricultural irrigation, from generator-produced electricity to food logistics; every kuruş at the pump therefore lands on household budgets not as a single item but through a multiplier. In a country like Syria — re-entering a rebuilding process after more than fifteen years of conflict, with public finances contracted, foreign-currency resources constrained and social resilience worn thin — that multiplier bites harder than it would almost anywhere else.

Understanding the reaction the 13 September 2026 pricing decision provoked requires accepting that fact. But understanding the reaction and validating the claim behind it are two different things. The claim now voiced in Syria — that prices were raised to an exorbitant degree — does not hold up once tested against comparative international data; the objection that “we have no income to pay these prices,” by contrast, stands entirely justified. Separating these two statements with care is the precondition both for producing the right policy and for channelling public energy somewhere other than destruction.

This report's purpose is to ground that distinction in data; to trace the international roots of the price movement; to describe the structural constraints in Syria's oil and refining infrastructure; to show why the supply and financing chain cannot simply be stretched to fit; to recall the lesson of the electricity-tariff experience; to assess whose strategic account instability is written to; and finally, through an applicable policy set across the short, medium and long term, to define Turkey's role in this equation.

TESPAM's earlier work on both global fuel markets and Syria's energy sector forms the analytical ground of this report. The study examining the effects of Russia's petrol-export ban on global markets through a country-level vulnerability analysis (TESPAM, 2026a), the diesel report examining the components of fuel-price formation and their international benchmarking (TESPAM, 2026b), the report inventorying Syria's upstream reserve outlook and open production licences (TESPAM, 2026c), and the studies measuring the macroeconomic effects of crude-price movements (TESPAM, 2026d; 2026e) are the load-bearing elements of the framework built here. The framework set out earlier on how energy in Syria functions as a political lever beyond being a development input (TESPAM, 2026g) is directly useful for reading today's picture.

**II****THE 2026 GLOBAL FUEL SHOCK: THE RUPTURE THAT MOVED FROM CRUDE TO THE PRODUCT MARKET****II.1. The crude-oil axis**

2026 opened as an already tense year for the crude market. Brent was trading at 107.5 dollars a barrel in early September, flows through the Strait of Hormuz were running below their pre-war baseline, and Middle Eastern facilities were unable to operate at full capacity because of both direct damage and logistical disruption (OilPrice, 2026). That level alone is a serious drag on the current-account balance of importing countries; TESPAM's analyses of the macroeconomic pass-through of rising crude prices show that in import-dependent economies such jumps are felt several times over, magnified through inflation and agricultural costs (TESPAM, 2026d; TESPAM, 2026e).

**II.2. The real rupture: the refining bottleneck and record crack margins**

What sets 2026 apart from earlier price shocks, however, is not crude itself but the widening gap between crude and the finished product. The crack spread — the measure of refining margin — crossed 100 dollars a barrel for the first time in history on US Gulf Coast diesel on 17 August 2026; although it has since eased into the 90s, it remains markedly above even 2022, the post-pandemic record year (RBN Energy, 2026). In Europe, the ICE gasoil crack set a fresh record of 79 dollars a barrel in early September, with the September–November forward spread reaching an 80-dollar-a-tonne backwardation (OilPrice, 2026).

The structural driver behind this picture is that global refining capacity was permanently narrowed by plant closures during the pandemic years, and the new capacity brought online since has failed to make up the loss. In other words, there is no longer anything in the system that could be called “spare refining capacity”; every additional barrel of diesel has become extraordinarily valuable. The inventory picture confirms this diagnosis: US distillate stocks fell for a fourth consecutive week in the week of 21 August 2026, dropping to just above 103 million barrels — the lowest level for the month of August since 1951 (RBN Energy, 2026).

**II.3. The Russia factor: refinery strikes, export bans and the Black Sea**

The single most decisive source of the squeeze in global product markets is the damage inflicted on Russia's refining system. Ukrainian drone strikes on refineries have passed three hundred cumulatively in the fourth year of the war; more than half of Russia's refineries are reported to have sustained damage, with the share of refining capacity taken offline reported at between 20 and 43 percent depending on the source. With daily output falling to 75–80 thousand tonnes against domestic demand of 115–120 thousand tonnes in July 2026, the shortfall amounts to roughly a third of demand (Records of the 2025–2026 Russian Fuel Crisis, 2026). To close this gap Moscow extended its petrol-export ban, and a blanket export ban on diesel has also entered the agenda; the study TESPAM published in August laid out in detail how these bans generate an asymmetric pressure across country-level import vulnerabilities (TESPAM, 2026a).

The Black Sea front compounds the picture. Following intensifying strikes on tanker and terminal targets, Russia's suspension of civilian shipping through the Don–Azov Canal and the Kerch Strait, the disruption of loading schedules at key export points led by Novorossiysk, and export volumes falling for weeks on end, have all stripped predictability from both crude and product flows. The effective closure of the corridor that carried discounted Russian product to the Eastern Mediterranean and Levant markets for years is a direct supply matter for Syria: finding cheap Russian product on the market has become nearly impossible.

#### II.4. China's export restrictions and the knock-on effects

Add to this China tightening its product-export quotas to protect domestic supply, which has thinned Asia-sourced arbitrage cargoes; Goldman Sachs doubling its forecast for refining margins shows that the market, too, reads this structural tightness as durable (OilPrice, 2026). The knock-on effects are plainly visible in economies at the far end of the supply chain: as of August 2026, fuel prices in Central Asian countries with heavy dependence on Russian product rose 12–13 percent in Tajikistan, 11–11.5 percent in Uzbekistan and 10 percent in Kyrgyzstan (Records of the 2025–2026 Russian Fuel Crisis, 2026). In Europe, diesel has settled above 2 euros a litre.

In short, the price correction Syria experienced in mid-September was not an isolated local decision but a wave breaking on the Levant coast from a chain of ruptures running from Moscow to Beijing, from Hormuz to the Black Sea. To assume Damascus could halt this wave with an administrative decision is to look for the problem in the wrong place.

**Table 1. Determining Indicators in the 2026 Global Product Market**

| Indicator                         | Level / Finding                                                             | Date                 |
|-----------------------------------|-----------------------------------------------------------------------------|----------------------|
| Brent crude                       | \$107.5/bbl                                                                 | 2 September 2026     |
| US Gulf Coast diesel crack margin | Crossed \$100/bbl for the first time in history; eased to the 90s afterward | 17 August 2026       |
| ICE gasoil crack margin           | Record \$79/bbl                                                             | Early September 2026 |
| ICE gasoil Sep/Nov forward spread | \$80/tonne backwardation                                                    | Early September 2026 |
| US distillate stocks              | 103 million barrels; lowest for August since 1951                           | 21 August 2026       |
| Russian refining capacity lost    | 20–43% offline, depending on source                                         | July 2026            |
| Russia's domestic supply gap      | 75–80k tonnes/day output vs. 115–120k tonnes/day demand                     | July 2026            |
| Pass-through to Central Asia      | Tajikistan +12–13%, Uzbekistan +11–11.5%, Kyrgyzstan +10%                   | August 2026          |

Source: RBN Energy (2026); OilPrice (2026); Records of the 2025–2026 Russian Fuel Crisis (2026). Compiled by TESPAM.

### III THE ANATOMY OF THE 13 SEPTEMBER DECISION

The price correction Syria's Ministry of Energy put into effect on 13 September 2026 covers an adjustment from 125 to 175 pounds a litre for diesel, from 152 to 195 pounds for 95-octane petrol, from 147 to 185 pounds for 90-octane petrol, from 1,470 to 1,600 pounds for a household gas cylinder, and from 2,350 to 2,570 pounds for an industrial cylinder (Enab Baladi, 2026a). Diesel carries the sharpest proportional move, and that is no coincidence: the item setting records in the global market is precisely the middle distillate.

**Table 2. The 13 September 2026 Price Correction (new Syrian pounds, per litre/unit)**

| Product                  | Previous | New   | Change | New price (\$) |
|--------------------------|----------|-------|--------|----------------|
| Diesel (litre)           | 125      | 175   | 40.0%  | 1.31           |
| 95-octane petrol (litre) | 152      | 195   | 28.3%  | 1.46           |
| 90-octane petrol (litre) | 147      | 185   | 25.9%  | 1.38           |
| Household cylinder       | 1,470    | 1,600 | 8.8%   | 11.97          |
| Industrial cylinder      | 2,350    | 2,570 | 9.4%   | 19.23          |

Source: Enab Baladi (2026a). Prices are in the new Syrian pound, revalued by dropping two zeros in early 2026.

The ministry's justification rests on two grounds. The first is the extraordinary rise in the global cost of securing product. The second is that the Baniyas refinery has gone into a comprehensive overhaul expected to last roughly two months, targeting a capacity increase from 80,000 to 130,000 barrels a day; for the duration of the overhaul the country must import finished product directly rather than process crude into it (Al Jazeera, 2026a). Syria, in other words, became most dependent on the product market in exactly the week that market was at its most historically tight. The bad luck of the timing is more decisive than the decision itself.

The equation behind it is harsher still. On the figures given by Energy Minister Mohammed al-Bashir, the country produces 102,000 barrels a day against a need of 325,000 barrels (Al Jazeera, 2026a). The gap between the two is, by definition, one that must be imported with hard currency. For comparison, Damascus's supply picture through 2025 consisted of roughly 15.7 million barrels from Russia, a 1.65-million-barrel grant from Saudi Arabia in November, and periodic Iraqi shipments; most of the tenders opened in January, March, June and November closed without adequate bids (Shaar, 2026). This shows that Syria's supply problem is, before it is a price problem, one of access and reliability.

That the ministry established, by Decision No. 844 of 23 June 2026, a standing committee to set the prices of petroleum products and minerals is a sign that this fragility has been diagnosed at the institutional level. The committee, which includes representatives of the finance, economy and industry ministries alongside the central bank, has been tasked with regularly reviewing prices in light of global market developments, costs, the exchange rate and support mechanisms



(SANA, 2026). The September correction is not an arbitrary intervention but the first serious test of that mechanism.

The problems around processing crude domestically are, for their part, also considerable. Refining capacity remains insufficient, and the ministry is keeping mobile-refinery options on the table as a way to address it.

## IV WHERE DO SYRIAN PUMP PRICES STAND INTERNATIONALLY?

The most direct way to take the debate out of the realm of sentiment and place it on data is comparison. The table below sets post-correction Syrian prices side by side, in dollar terms, with Turkish and European Union figures from the same dates.

**Table 3. Comparative Pump Prices (September 2026, \$/litre)**

| Country / Region           | Diesel | Petrol | Note                                                   |
|----------------------------|--------|--------|--------------------------------------------------------|
| Syria                      | 1.31   | 1.46   | After the 13 September correction; 95-octane petrol    |
| Turkey                     | 1.83   | 1.59   | 11 September; Istanbul, European side, at 48.53 TRY/\$ |
| EU-27 average              | 2.35   | 2.21   | 7 September; EU Weekly Oil Bulletin, taxes included    |
| Malta (cheapest in the EU) | 1.40   | 1.55   | 7 September                                            |
| Finland / Denmark          | 2.87   | 3.05   | Most expensive diesel and petrol in the EU             |

Source: Enab Baladi (2026a); GZT (2026); Fuel-Prices.eu (2026). Euro conversions calculated by TESPAM at \$1.1599/€ and lira conversions at 48.53 TRY/\$.

What the table says is unambiguous. Even after the 40-percent correction, Syrian diesel sits roughly 28 percent below the Turkish price and about 44 percent below the EU-27 average — trailing even Malta, the European Union’s cheapest fuel market. The picture is similar on the petrol side. The claim of an “exorbitant price” accordingly finds no footing once set against an international comparison.

### IV.1. Resolving the tension honestly: a cheap price, a heavy burden

There is, however, a tension here that should not be papered over, and this report’s stance is to resolve it openly. That the nominal price is cheap by international standards will not mean that price is light for a Syrian household. What determines the weight of a price is not its absolute level but its ratio to income. A European household covers diesel at 2.35 dollars a litre out of a small share of its monthly income, while a Syrian household whose basic transport and heating costs are not even secured feels a far sharper squeeze from diesel at 1.31 dollars a litre. Indeed, the rise in the fare from Hasakah to Qamishli from 300 to 500 pounds shows the increase passing through to the household budget not as a single item but in a chain (Enab Baladi, 2026a).

These two truths will not cancel each other out; on the contrary, they complete one another. Syria’s fuel price is not high; its income, however, is low. This diagnosis determines the policy choice on its own: artificially suppressing the price is medicine without a diagnosis, and its side effect is the depletion of investment capacity. The right intervention should target not the price itself but the household unable to afford it.

## V

**STRUCTURAL CONSTRAINTS: WHY WON'T THE PRICE FALL "ON DEMAND"?****V.1. Upstream: a process only just under way**

Syria's initiatives toward its oil sector have found firm ground only in recent months, following the establishment of the new administration. The transfer of the Deir ez-Zor fields to central-government control in January 2026, the handover of Rmeilan and Suwaydiyah to SPC at the end of January, the award of the Rmeilan complex to an international operator under a 25-year production-sharing contract in August 2026, and the opening of the EL-WARD field group to international tender — all of this is the product of a span of just a few months (TESPAM, 2026c). This means the sector is being rebuilt not from zero, but after a long interruption.

Even so, time follows unforgiving laws upstream. Between a field going to tender and the first incremental barrel flowing lie, even in the most optimistic scenario, the steps of contract negotiation, security and financial close, field assessment, well rehabilitation and surface-facility investment. Taking a field group currently producing roughly 10,000 barrels a day to the order of 100,000 barrels a day after rehabilitation is technically achievable — but it is a programme measured in years, not months. Today's pump price, in the end, will draw no benefit from production that only comes on line three years from now.

**V.2. Refining: a country carried by two plants**

Syria's refining capacity rests essentially on the Baniyas and Homs facilities, both of which carry years of deferred maintenance. The overhaul that will raise Baniyas's capacity from 80,000 to 130,000 barrels is the right decision; but that it condemns the country to product imports for its duration front-loads the decision's cost onto today. Building a new refinery — toward which Damascus is preparing tender documents — means billions of dollars of capital, long procurement lead times and a construction timetable of at least five years. Refining is an industry that demands patience.

**V.3. The supply and financing chain: the real bottleneck**

The real constraint on Syria's fuel supply is, more often than not, not the price but the transaction itself. International product trade rests on letters of credit, correspondent-banking relationships, performance guarantees, marine insurance and a recognised buyer's credit history. The effective end of the sanctions regime — with the United States removing Syria from its list of state sponsors of terrorism on 24 August 2026 — has lifted the legal obstacle; but banks' risk appetite is following that legal change only with a lag (Security Council Report, 2026). Rebuilding correspondent-banking relationships, having compliance units update the country risk rating, and getting traders to accept Syria as a routine counterparty will take months. The tenders that closed without bids through 2025 are evidence of that lag (Shaar, 2026).

To this must be added the foreign-currency constraint. Product imports will require payment upfront or on short terms; the country's foreign-currency resources, however, rest far more on grants, remittances and limited capital inflows than on export earnings. Damascus is

accordingly having to buy from an already expensive market while also paying a high risk premium. Given that diesel is already trading at a record crack margin globally, and that the buyer is paying a credibility premium on top of it, Syria's actual procurement cost sits somewhat above the benchmark prices.

#### **V.4. The narrow passage of public finance**

Finally, the room for manoeuvre on the public-finance side is narrow as well. Supplying product below market price on debt taken from countries such as Qatar and Saudi Arabia is, on paper, the easiest fix; but it is nothing more than transferring today's social tension onto tomorrow's debt service. Grant-based support buys a one-off breathing space; a subsidy financed by debt, however, creates a lasting obligation, and it is precisely reconstruction investment's financing capacity that it narrows. In short, the country faces a choice between the borrowing capacity it will need to finance future production and refining investment, and spending that same capacity to cheapen today's consumption.



## VI

## WHAT THE ELECTRICITY-TARIFF EXPERIENCE TAUGHT

This is not the first time Syria has lived through this debate. The four-tier electricity tariff that took effect on 30 October 2025 was introduced on exactly the same logic — cost recovery and sustainability — with tier prices set in a band running from roughly 0.055 to 0.164 dollars per kilowatt-hour. The ministry's justification was the sector's roughly one-billion-dollar annual loss. The result was harsh: 75 percent of those surveyed reported dissatisfaction with the new bills, protests broke out on 29–30 January 2026, and the tariff went through a severe test of social legitimacy (Enab Baladi, 2026b).

The lesson to draw from that experience runs in two directions, and both need to be stated. First: selling below cost is a mechanism that physically collapses a sector; a billion dollars a year in losses in electricity means a grid that cannot be maintained, capacity that cannot be brought on line, and lengthening outages. Second: applying cost recovery without a social-protection design makes an economically correct decision politically unsustainable. The mistake made in electricity was not raising the tariff — it was failing to build a targeted protection mechanism alongside the tariff, simultaneously and visibly.

Avoiding the same mistake in fuel is possible not by reversing the decision but by adding the social component alongside it. Stepping back and returning to sales below market price would simply repeat, in fuel — in hard currency, no less — the loss suffered in electricity; and that would mean trading away the country's future to rescue today.



## VII

**THE POLITICAL ECONOMY OF STREET ANGER: WHAT THE COINCIDENCE MEANS**

That the reaction to the pricing decision coincided with a wave of tension already rising in the country's northeast changes the picture qualitatively. Sipan Hizni (Sami Sheikmous Hiso), who had joined the state security structure after January's integration agreement, was abducted and killed near Hasakah; protests that began in Hasakah after the funeral spread to Kobani on Friday, 12 September, and were followed by unrest inside Kobani's prison in which a large number of detainees lost their lives (Jerusalem Post, 2026; Al Jazeera, 2026b). That Mazloun Abdi travelled to Kobani immediately afterward, and that Deputy Defence Minister Sipan Hemo called for "patience, and no invitation to strife," shows a reflex of responsibility functioning in how the crisis was managed.

What needs underlining here is this: the SDF's formal dissolution on 25 August 2026, folding its units into the Syrian army, is the most strategic step the country has taken in the past twenty years (Security Council Report, 2026). By definition, the first weeks of such an integration are fragile; any isolated crime, any provocation, any mismanaged incident carries the potential to reopen the entire process to dispute. That the fuel increase fell in exactly this week may well be pure coincidence; that the two waves are being fused into a single narrative of an "ungovernable country" is not.

The routes along which the protests concentrated are telling in themselves. The al-Kharafi road south of Hasakah, the "47" area near al-Shaddadi, the Deir ez-Zor–Aleppo international road through the Raqqa countryside, and the Aleppo–Turkey highway — in other words, the veins carrying the country's crude, its product and its trade (Enab Baladi, 2026a; Al Jazeera, 2026a). Blocking the passage of crude tankers is the point at which the protest moves beyond an economic demand and becomes a tool aimed at the supply chain itself. Cutting off a tanker's route because fuel is expensive results, the following week, in fuel that cannot be found at all. That is a form of protest that consumes its own purpose.

**VIII****THE STRATEGIC BENEFICIARY OF INSTABILITY**

Asking who benefits from a given development is not conspiracy-mongering; it is a basic method of strategic analysis. The actor uneasy about the strengthening of central authority in Syria, about armed groups being folded under a single roof, about the acceleration of capital inflows that followed the lifting of sanctions, and about the deepening of the energy-security axis being built with Turkey, is the same actor that has actively intervened against each of these processes.

This is not an abstract claim. Israel struck the Abu al-Duhur air base in Idlib on 18 August 2026, openly citing the possibility of Turkish elements deploying there; Damascus condemned the strike as a violation of sovereignty, and de-escalation talks were held in Jordan on 24 August under US mediation (Security Council Report, 2026). Hundreds of military incursions into Syrian territory have been recorded since December 2024; the course of events in Suwayda, for its part, shows how a line of localisation that erodes the central state's authority can be fed from outside.

Within this picture, energy is the cheapest and most effective of levers. Energy prices, requiring no political mobilisation whatsoever, touch every household's kitchen directly; they affect everyone at once, regardless of identity, sect or region; and they organise the reaction in the guise of a legitimate economic demand. For anyone seeking to destabilise a country from outside, fuel is accordingly a more efficient instrument than weapons.

The conclusion to draw from this is not that the demand of the ordinary citizen on the street is illegitimate — it cannot be. The conclusion is rather this: when a justified demand is voiced through the wrong method, it is written not to the account of the one voicing it but to the account of whoever wants the country weakened. Blocking roads, halting tankers and paralysing production frightens investors, cools financing, raises insurance premiums, delays tender timetables and, in the end, delays the one thing that could actually bring the price down — the growth of supply capacity. Instability is not the cure for high prices; it is the cause.

This report accordingly records its call for calm not as a wish but as an economic necessity. What the Syrian people need today is not to abandon their objection but to sustain it on ground that does not serve those targeting the country — through institutional channels, without harming the production chain.

**IX****A ROADMAP FOR RESOLVING THE IMBALANCE****IX.1. Short term (0–6 months): managing the pain, keeping supply uninterrupted**

The short term cannot aim at lowering the price, because Damascus has no influence over the global variables that set it. Its aim is to absorb the impact of the price shock on the most vulnerable segment and to secure the physical continuity of supply. The following steps could be taken toward that end:

- ◆ Targeted, quantity-capped support through a smart-card infrastructure in place of a broad-based price subsidy: a discounted monthly litre allocation for vulnerable households, with consumption above that cap priced at full cost. This delivers social protection while preventing the state from financing the consumption of the wealthy — though it requires, as a precondition, modernising the country's distribution system.
- ◆ A separate diesel regime for public transport and agricultural irrigation, since the main channel through which the fuel increase reaches household budgets is transport fares and food prices.
- ◆ Monthly public disclosure of the price-formation formula — product cost, freight, insurance, distribution margin, tax and exchange-rate components, each broken out. Transparency will not make the price itself cheaper, but it removes the perception that the price is arbitrary, which feeds a significant share of today's reaction.
- ◆ Raising the strategic product reserve to at least thirty days of consumption and urgently inventorying storage capacity, since the weakest link in the supply chain is not price but continuity risk.
- ◆ Resolving road-blocking and tanker-obstruction actions through engagement and negotiation rather than force; given the fragility of the integration process in the northeast, any harsh intervention will carry a political cost exceeding its economic benefit.

**IX.2. Medium term (6–24 months): growing supply, normalising financing**

- ◆ Completing the Baniyas overhaul without slipping the timetable and structurally reducing product-import dependence by raising capacity to 130,000 barrels a day; placing the Homs facility on a reliability-focused rehabilitation programme.
- ◆ Rapidly concluding open licensing processes — the EL-WARD field-group tender chief among them — and prioritising the rehabilitation of existing wells, since recovering idle capacity in existing fields is the shortest-payback investment available before any new discovery (TESPAM, 2026c).
- ◆ Further building refining capability with mobile-refinery capacity alongside rising production.
- ◆ A targeted programme for re-establishing correspondent-banking relationships: institutionalising a state buying entity that meets international compliance standards,

independently audited financial statements, and, in the first stage, a structured letter-of-credit line through a trusted third-country bank.

- ◆ Breaking single-source dependence in procurement through a multi-supplier framework-contract architecture spanning the Gulf, North Africa and the Eastern Mediterranean, and softening price volatility with periodic forward contracts in place of spot purchases.
- ◆ Directing grants and concessional credit toward refining and distribution infrastructure and stock capacity rather than consumption subsidies — perhaps the most critical distinction among today's policy choices.
- ◆ Suppressing smuggling and off-books product flows; 2025 data show a notable share of daily consumption moving through unregistered channels, which both erodes public revenue and distorts the perception of the official price (Shaar, 2026).

### IX.3. Long term (2–10 years): structural independence

- ◆ Moving production up from 102,000 barrels a day, through field rehabilitation and new development, to a level that gradually meets domestic demand — a goal that, within a realistic programme, requires a ten-year horizon.
- ◆ Building new refining capacity and optimising product composition to domestic demand, with priority given to hydrocracking investment that raises diesel yield in particular.
- ◆ Winding down the scattered generator economy running on diesel by raising the share of natural gas and solar in power generation, since part of Syria's fuel demand is a direct derivative of the absence of electricity; as electricity supply improves, diesel demand — and with it price pressure — will recede on its own.
- ◆ A structural programme for energy efficiency and public-transport infrastructure, since every durable saving on the demand side is cheaper than investment on the supply side.
- ◆ Regional integration: through pipelines, electricity interconnection and shared storage capacity, positioning Syria within the Eastern Mediterranean energy architecture not merely as a market to be supplied but as a transiting, functioning actor in its own right (TESPAM, 2026f).

**Table 4. Policy Matrix: Horizon, Instrument and Expected Effect**

| Horizon     | Priority instrument                                                                                | Expected effect                                                      |
|-------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| 0–6 months  | Targeted, quantity-capped smart-card support; transparency in the price formula; strategic reserve | Absorbing the social shock, supply continuity, perception management |
| 0–6 months  | Separate diesel regime for transport and irrigation                                                | Containing food and transport inflation                              |
| 6–24 months | Completing the Baniyas overhaul; Homs rehabilitation                                               | Structural reduction in product-import dependence                    |
| 6–24 months | Concluding licensing tenders, well rehabilitation                                                  | Short-payback production gains                                       |



| Horizon     | Priority instrument                                            | Expected effect                             |
|-------------|----------------------------------------------------------------|---------------------------------------------|
| 6–24 months | Establishing correspondent banking and a letter-of-credit line | Lower risk premium on procurement cost      |
| 2–10 years  | New refining capacity and hydrocracking investment             | Product mix aligned to domestic demand      |
| 2–10 years  | Gas- and solar-based power supply                              | Winding down generator-driven diesel demand |
| 2–10 years  | Regional integration and a transit role                        | A lasting footing for energy security       |

Source: TESPAM assessment.

**X****TURKEY'S ROLE**

For Syria to round this corner with the least possible damage, Turkey is not merely a neighbouring country but the only actor able to contribute simultaneously across supply, infrastructure, financing, technical capacity and political assurance. The concrete counterpart to this is already present on the ground.

The roughly 2 billion cubic metres of natural gas supplied annually from Turkey to Syria enables around 1,300 megawatts of electricity generation in the country. Roughly 210 megawatts a day are delivered through seven distribution centres in northern Syria, with the long-term target of raising this capacity to 700–800 megawatts. The completed natural-gas pipeline connection from Kilis toward Aleppo, the 400-kilovolt transmission line, and the reinforcement line between Reyhanlı and Harem, together with Karpowership's roughly 800 megawatts of floating power-plant capacity, make up the fastest-deployable supply options in the short term. The roughly 7-billion-dollar investment programme envisaged by the Qatar–Turkey–US consortium — 4,000 megawatts of gas-turbine capacity and 1,000 megawatts of solar across four separate sites — would, if realised, be of a scale able to cover more than half of Syria's electricity needs (Anadolu Agency, 2026).

This picture connects directly to fuel prices. A notable share of Syria's diesel demand stems from households and businesses turning to generators because they cannot get electricity off the grid. Every durable improvement in electricity supply directly reduces diesel demand and, with it, the import bill. Put differently, Turkey's electricity and gas contribution is not merely an energy line item; it is a demand-management instrument that eases pressure on the fuel market.

What Turkey can offer is not limited to this. There is an established industrial track record on the refining and distribution side, institutional experience in fuel-distribution and storage standards, decades of capacity in pipeline and interconnection operation and — perhaps most critically — logistical proximity able to supply product to Syria. Short-haul shipments from Turkish ports to the Syrian coast offer a clear advantage over purchases from distant sources in both freight and lead time. Turkey's experience with the components of fuel-price formation and with mechanisms akin to the sliding-scale (*eşel mobil*) system is, moreover, a directly transferable body of method for the standing price committee Syria has established (TESPAM, 2026b).

In the end, Turkey's position in Syria is structurally different from that of other actors in the region: Turkey's interest is a Syria that is stable, has a strong central authority, and produces and trades. A fragile, fragmented Syria unable to control its own resources represents a gain for Turkey neither in security nor in economic terms. This asymmetry is the essential factor distinguishing the cooperation Ankara will build with Damascus from every other option on offer.

**XI****CONCLUSION: CALM, PATIENCE AND EFFORT**

Syria stands at precisely the threshold where it is trying to rise from the point where it fell. Armed groups being brought under a single roof, the sanctions regime coming to an end, oil fields returning to central administration, and international licensing processes getting under way — all occurring in succession within a few months — are strategic gains not easily repeated after fifteen years of devastation. Each of these gains rests on an environment of confidence; and confidence is the only real collateral behind both investment and financing.

The rise in fuel prices is real, its burden is heavy, and the citizen's objection is understandable. But this rise is neither a choice made in Damascus nor something that can be reversed by administrative decision. Its source is the historic tightening the product market underwent in 2026: the collapse of the Russian refining system, the effective closure of the Black Sea, rising tension around Hormuz, and stocks falling to their lowest level in seventy years. Against this backdrop, Syria is still selling fuel more cheaply than most of the world; the problem is not the height of the price but the shallowness of income. The right answer, accordingly, is not to suppress the price but to protect the household in a targeted way and to grow supply capacity.

The electricity-tariff experience has already shown where selling below cost leads: a billion dollars a year in losses, an unmaintained grid, lengthening outages. Repeating the same path in fuel — in hard currency, no less — will calm today's anger for a few months while consuming the country's investment capacity for the decade ahead. Trading away the future to rescue today is a price no society can afford to pay.

What is more, the sole winner from a prolonged, intense disorder that targets the supply chain is the actor that regards Syria's recovery as contrary to its own security doctrine. Blocking roads scares off investment, halting tankers reduces supply, and sustaining chaos cools financing — and all of it means fuel that is even more expensive a year from now. Instability is not the remedy for high prices; it is their direct cause.

What falls to the Syrian people, their civil society and their opinion leaders, accordingly, is not to abandon their objection but to sustain it on ground that does not sever the country's arteries. What falls to the administration is to explain the pricing decision transparently, to protect the vulnerable household in a targeted way, to secure the continuity of supply, and to show through concrete timetables that this is a temporary phase. What falls to the region's responsible actors, Turkey foremost among them, is to accelerate their contribution — from electricity and gas supply to procurement financing, from refining capacity to technical advisory support — in a way that helps Syria get through this transition with the least possible damage.

In short, what Syria needs today comes down to three words: calm, patience and effort. Calm, to preserve the gains; patience, to bear in mind that no energy infrastructure is built in a single season; and effort, to bring this period to a close as soon as it can possibly be brought to a close.

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