



Monthly Bulletin for Consumer Price Index and Inflation in Syria

Issue (1) – January 2023



Preface

The bulletin provides an independent assessment of consumer prices and the rate of inflation in all Syrian regions, based on a monthly survey of consumer prices carried out by the Syrian Center for Policy Research (SCPR) since October 2020. The SCPR had developed a methodology for building a price index based on components of consumer basket, weighting, and market selection (See [SCPR's Consumer Price Index in Syria](#))

This bulletin presents the findings of the monthly consumer price survey and the changes in the Consumer Price Index (CPI) for **January 2023** (with 2021 as the base year) broken down by region and the major consumption groups. Based on the CPI changes, the bulletin provides an estimate of the cost of living and poverty lines at local level in all Syrian regions.

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Acronyms and Abbreviations

AA	Autonomous Administration
CPI	Consumer Price Index
GoS	Government of Syria
M-o-M	Month on month
SCPR	Syrian Center for Policy Research
SIG	Syrian Interim Government
SSG	Syrian Salvation Government
SYP	Syrian Pound
TL	Turkish Lira
USD	United States Dollar
Y-o-Y	Year on year

1. Inflation in Syria, January 2023

In January 2023, Syria reported an annual inflation rate (Y-o-Y) of roughly 89.7 per cent for consumer prices. Simultaneously, the monthly inflation rate (M-o-M) recorded a 7.6 per cent increase.

The Tobacco group exhibited the highest monthly inflation rate in January 2023, reaching 12.7 per cent. This surge was attributed to the uptick in the average price of domestically manufactured tobacco, which rose to approximately SYP 3225, as well as imported tobacco, which climbed to SYP 4700. Following closely, the Various Commodities & Services group registered the second highest monthly inflation rate in January 2023, standing at 10.3 per cent. This escalation was primarily driven by the elevated costs of personal care products and associated service charges.

Also in January 2023, the Food & non-Alcoholic Beverages group registered as the third highest contributor to monthly inflation, marking a 9.0 per cent increase. This surge was driven by a sharp uptick in the prices of meat products, with the Meat group witnessing a 14.8 per cent rise. Consequently, the cost of one kilogram of mutton reached SYP 47800, while poultry rose to SYP 16900 per kilo. Furthermore, the Dry Legumes & Vegetables group experienced a 10.4 per cent price surge, leading to one kilogram of locally-grown tomatoes costing SYP 3300 and crushed lentils reaching SYP 9000 per kilo. Additionally, the Non-Alcoholic Beverages group posted a monthly inflation rate of 15.7 per cent, with Brazilian coffee priced at SYP 58500 per kilo, black tea at SYP 59400 per kilo, and a 330 ml bottle of soft drink at SYP 4000.

Table (1): Monthly consumer price inflation in Syria for January 2023 by consumption group (base year 2021 =100) and (inflation in percentages)

#	Group	December 2022 index	January 2023 index	Monthly Inflation (M-o-M)
	All commodities	242.9	261.3	7.6%
1	Food & non-alcoholic beverages	230.7	251.5	9.0%
2	Tobacco	185.0	208.4	12.7%
3	Clothes & shoes	234.1	250.5	7.0%
4	Housing, water, electricity, and gas	276.3	299.3	8.3%
5	Household equipment, supplies & maintenance	238.9	256.3	7.2%
6	Health	238.7	259.5	8.7%
7	Transportation	300.9	293.9	-2.3%
8	Communications	190.1	192.8	1.4%
9	Entertainment & culture	232.8	245.2	5.3%
10	Education	235.8	242.9	3.0%
11+12	Various commodities & services	226.0	249.3	10.3%

Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

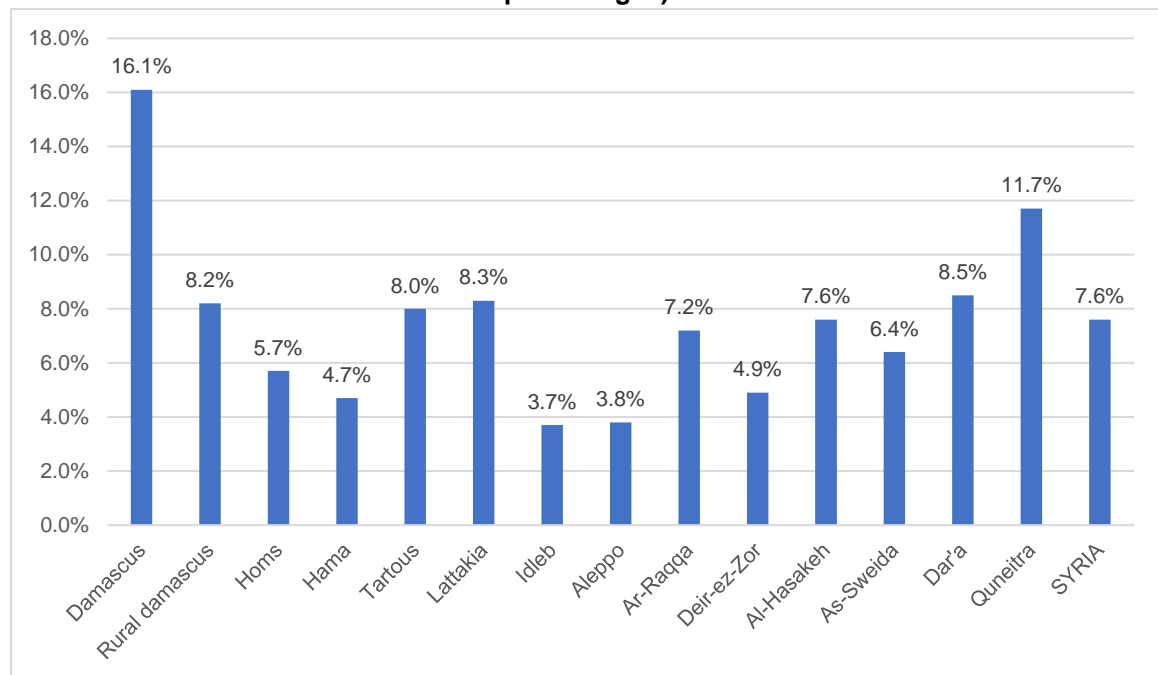
The Health group marked the fourth highest monthly inflation rate in January 2023, surging to 8.7 per cent. This surge was primarily attributed to rising examination fees for doctors, especially dentists, due to increased costs of medical supplies. Additionally, prices of locally manufactured medicines increased, following a decision by the Ministry of Health in GoS-areas to raise prices on January 17, 2023. Notably, the cost of headache pain medication (10 tablets) has reached SYP 2250, whereas anti-inflammatory medication is priced at SYP 5000.¹

¹ Note: Medication prices within different areas of control are substantially impacted by the policy decisions undertaken by the GoS. These decisions predominantly steer the choice towards domestically manufactured medicines, which are favored over imported options, due to their superior quality and cost-efficiency relative to those imported from Iran, Turkey, and India.

2. Inflation by Governorate

The Syrian governorates of Damascus, Quneitra, Dar'a, Lattakia, Rural Damascus, and Tartous recorded the highest monthly inflation rates in January 2023. Leading the list was the Damascus Governorate, with a substantial monthly inflation rate of 16 per cent, primarily attributed to elevated rent and housing-related service costs at the outset of 2023. Following closely, Quneitra registered the second highest monthly inflation rate for January 2023, reaching 11.7 per cent, driven by a significant surge in food prices. In contrast, Idlib and Aleppo achieved the lowest monthly inflation rates, with figures of 3.7 per cent and 3.8 per cent, respectively.²

Figure (1): Monthly inflation (M-o-M) of consumer prices in Syria during January 2023 (in percentages)

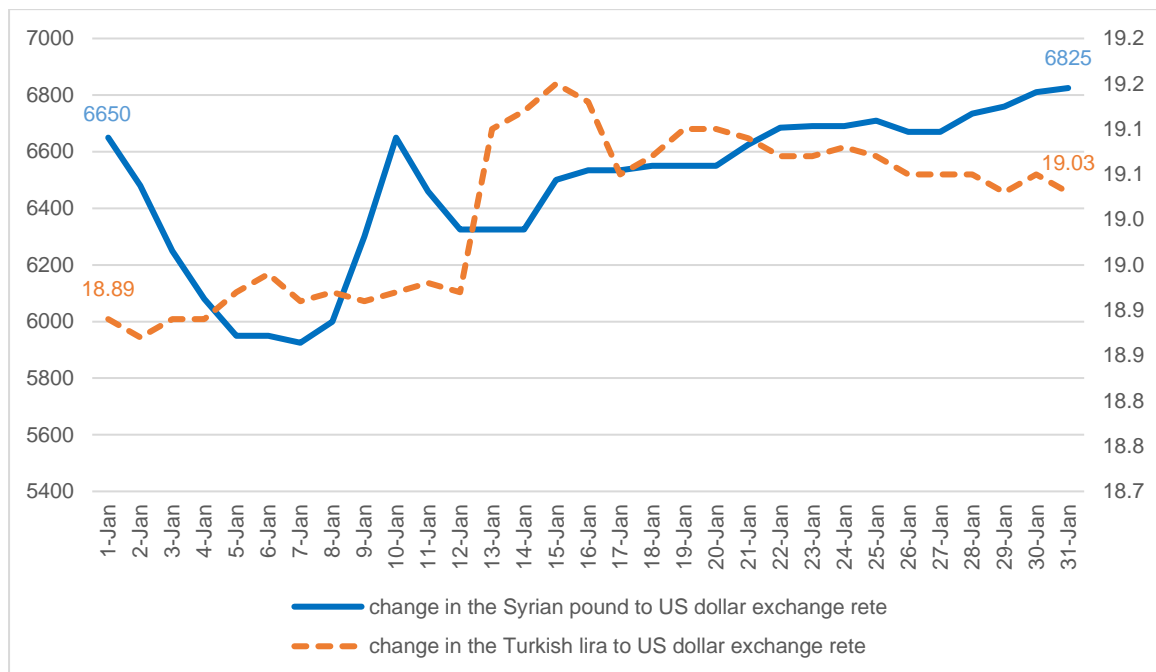


Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

² For further details on the monthly inflation rate by governorate, see Appendix (1)

Areas under the control of the GoS reported the highest monthly inflation rate (M-o-M) at 8.4 per cent in January 2023. In the same period, areas under the control of the Autonomous Administration (AA) followed with a 6.5 per cent increase. In contrast, the Syrian Interim Government (SIG) and The Syrian Salvation Government (SSG) areas experienced a relatively modest monthly inflation rate, not exceeding 3.4 per cent. This stability can be primarily attributed to the Turkish Lira's relative steadiness against the USD, with the exchange rate closing at 19.03 by the end of January 2023, compared to 18.89 at its beginning. Meanwhile, the exchange rate of the SYP against the USD reached 6825 at the end of January 2023, up from 6650 at the beginning of the month.

Figure (2): Change in the exchange rate of the SYP and the TL against the USD during January 2023

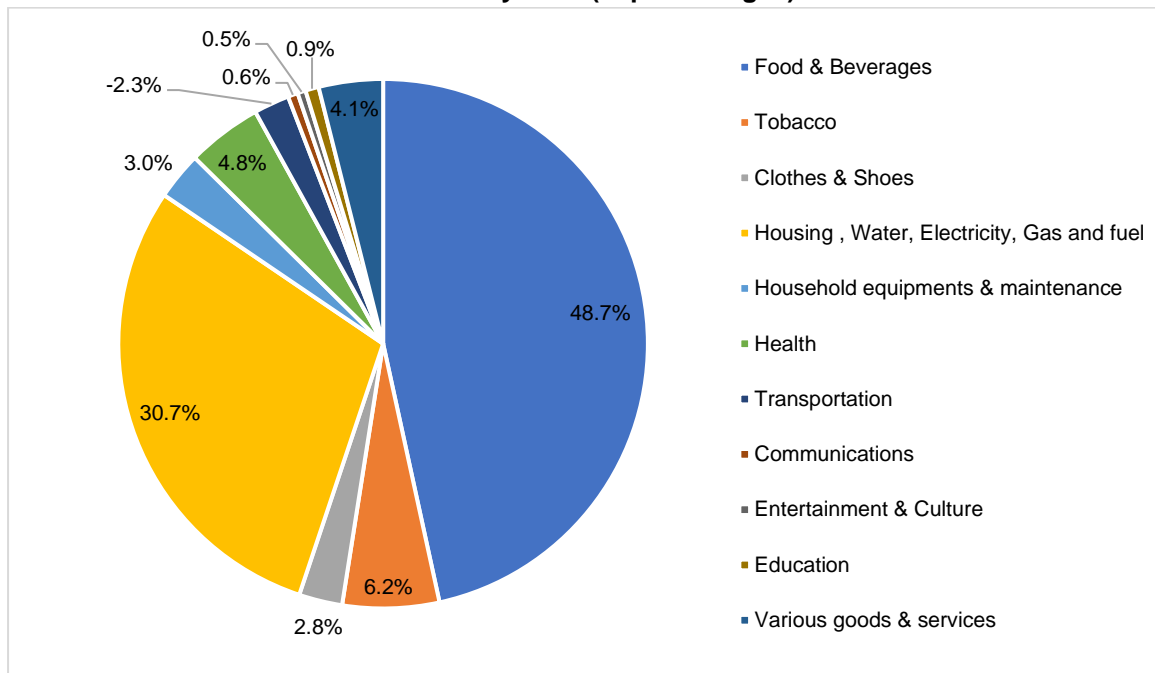


Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

3. Contributors to Inflation

The Food & non-Alcoholic Beverages group emerged³ as the leading contributor to monthly inflation (M-o-M) for January 2023 prices (standing at 7.6 per cent), accounting for 48.7 per cent of the total increase. It was succeeded by the Housing, Water, Electricity, Gas and other fuel oils group, responsible for 30.7 per cent of the increase. Following closely, the Tobacco group contributed 6.2 per cent, and the Health group contributed 4.8 per cent. In contrast, the Transportation group made a negative contribution of -2.3 per cent to the monthly inflation for January 2023 prices, primarily due to the decrease in gasoline and non-subsidised gas prices. This decline followed a significant price surge in November and December 2022, attributed to a sharp drop in supply.

Figure (3): Contribution of major consumption groups to the monthly inflation rate (M-o-M) for January 2023 (in percentages)



Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

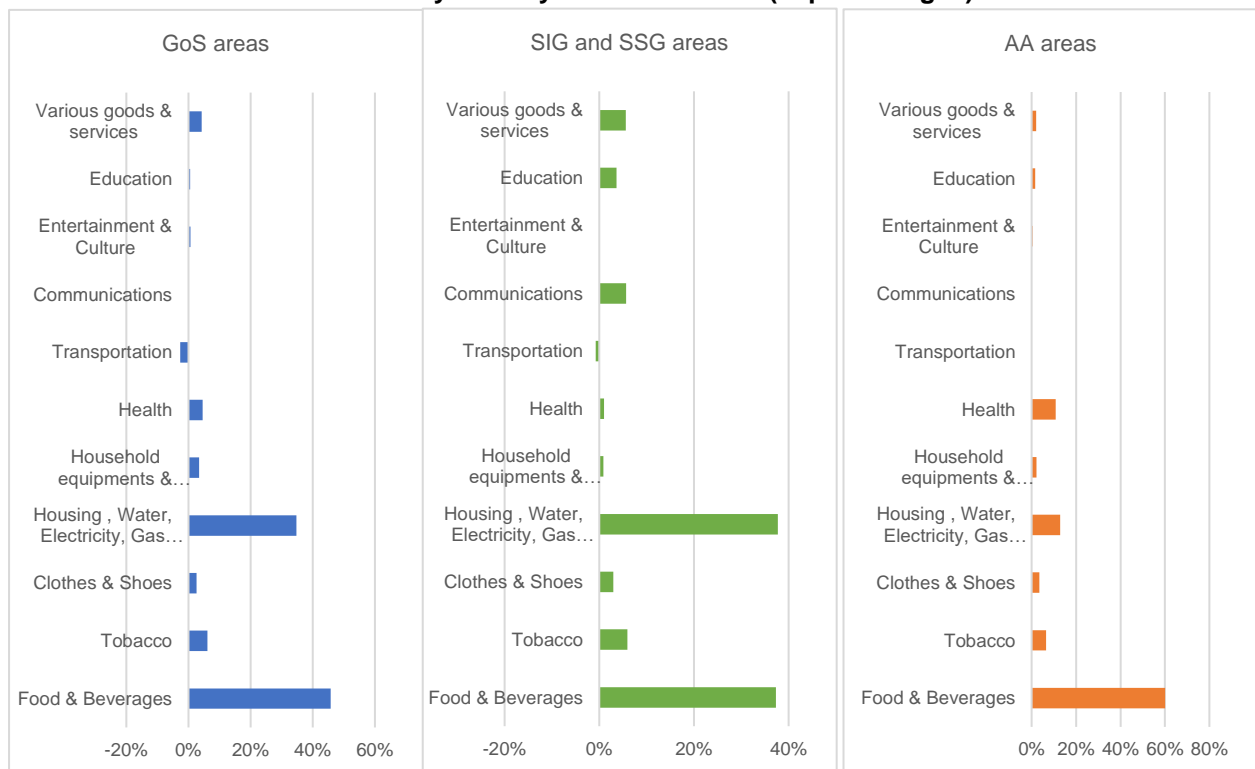
³ The contribution rate to inflation means the percentage of the contribution of each consumption group to annual inflation, out of 100%.

Within areas under the control of GoS, the Food & non-Alcoholic Beverages group took the lead in contributing to the monthly inflation during January 2023, representing 45.8 per cent of the increase. Subsequently, the Housing, Water, Electricity, Gas and other fuel oils group contributed 34.8 per cent, followed by the Tobacco group, contributing 6.1 per cent.

In regions under the administration of SIG and SSG, the Housing, Water, Electricity, Gas and other fuel oils group made the most substantial contribution to monthly inflation, representing 37.7 per cent of the increase. Following closely, the Food & non-Alcoholic Beverages group contributed 37.3 per cent, while the Tobacco Group added 5.9 per cent. Furthermore, the Telecommunications Group contributed 5.7 per cent to the monthly inflation, largely due to a significant increase of over 70 per cent in telecommunications prices by Turkcell, the telecom company operating in SIG areas, during January 2023.

In regions under the AA authority, the Food & non-Alcoholic Beverages group took the lead in contributing to monthly inflation, accounting for 60 per cent of the increase. Following closely, the Housing, Water, Electricity, Gas and other fuel oils group contributed 12.8 per cent, while the Health group was responsible for 10.9 per cent of the monthly inflation.

Figure (4): Contribution of major consumption groups to the monthly inflation rate (M-o-M) for January 2023 by areas of control (in percentages)



Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

4. Wages in Syria, January 2023

In January 2023, the average monthly wage in Syria stood at around SYP 231 thousand for a university-educated employee in the public sector, at the start of their appointment; SYP 349 thousand for private sector workers, and SYP 1.02 million for civil society workers. It should be noted that workers in the public, private, and civil society sectors within the GoS areas receive the lowest wages when compared to their counterparts in SIG, SSG, and AA areas.

Table (2): Average monthly wages in Syria during January 2023 (SYP)

	GoS areas	SIG and SSG areas	AA areas	Whole of Syria
A- Public sector workers				
Staff wages (professor)	224,232	2,821,808	1,150,000	673,815
Staff wages (university educated)	103,838	780,172	390,000	231,263
Staff wages (4th band)	95,346	558,957	380 000	197,234
B- Private sector workers				
Company director salary	836,656	2,186,847	1,000,000	1,005,846
Shop worker salary	281,234	812,311	316,667	349,094
C- Civil society workers				
Staff wages (university educated)	623,204	2,614,270	1,718,333	1,023,125

Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

When assessing real wages⁴ in January 2023 across Syria, it is evident that the purchasing power of wages in both the public and private sectors experienced a decrease of 1.13 per cent and 1.89 per cent, respectively, compared to December 2022. Conversely, the purchasing power of wages in the civil society sector exhibited an increase of 5.46 per cent.

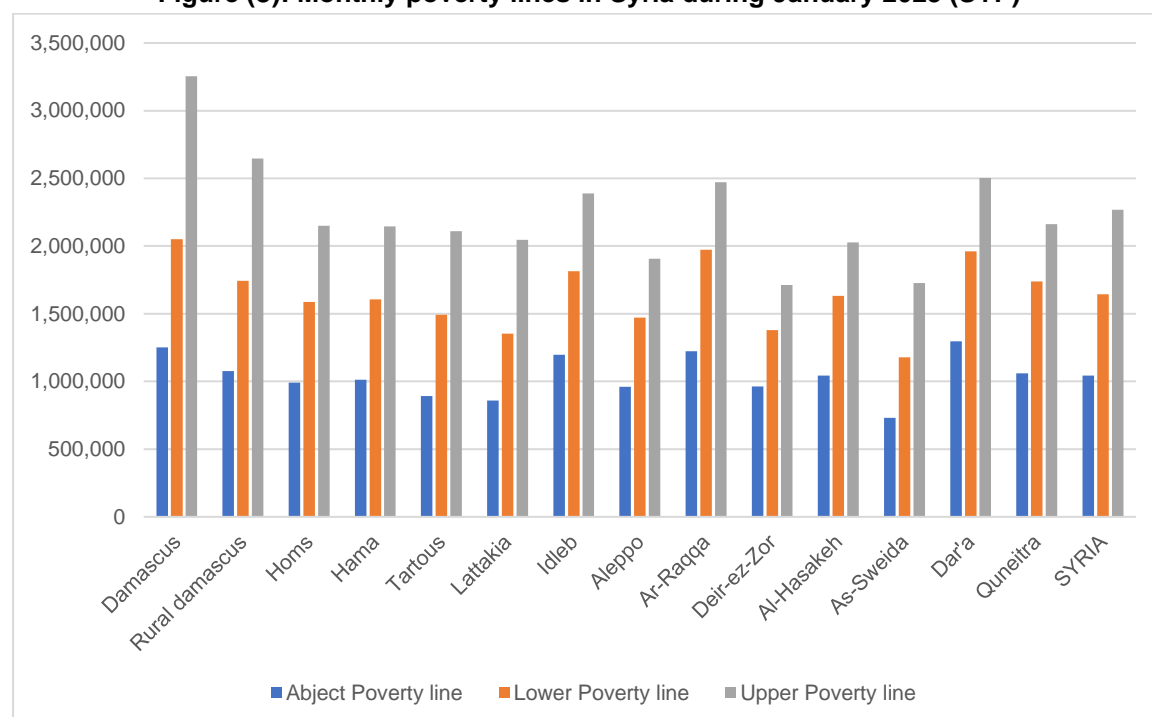
In contrast to their wages in 2021, workers in the public sector, the private sector, and the civil society sector experienced a decrease in their wage purchasing power during January 2023, with figures standing at 33.6 per cent, 25.3 per cent, and 21.6 per cent, respectively. These statistics signify a large reduction in wage purchasing power in Syria over the course of the last two years.

⁴ Real wages were calculated by dividing nominal wages by the CPI index. For details see: ILO. (2010). Global Wage Report 2010-2011: Wage Policies in Times of Crisis.

5. Poverty Lines in Syria, January 2023

The upswing in monthly consumer price inflation in Syria during January 2023 translated into a rise⁵ in poverty lines across all governorates. Notably, the abject poverty line for families, serving as an indicator of food insecurity, reached SYP 1.04 million per month. The lower poverty line was assessed at SYP 1.64 million per month, while the upper poverty line stood at SYP 2.68 million per month. Significantly, AA areas took the lead among all Syrian areas in terms of the levels of poverty lines in January 2023. This was followed by SIG and SSG areas, and last came the areas under the administration of the GoS. At the governorate level, Damascus, Dar'a, Ar-Raqqa, and Idleb reported the highest values for poverty lines, while Deir-ez-Zor and As-Sweida recorded the lowest values for poverty lines during January 2023.

Figure (5): Monthly poverty lines in Syria during January 2023 (SYP)



Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

A comparison between nominal wages and monthly poverty lines reveals a widening wage gap⁶ from the abject poverty line across Syria during January 2023. This gap increased to approximately 78 per cent for university-educated employees in the public sector, 67 per cent for private sector workers, and a marginal 2 per cent for civil society workers. It's worth noting that wages of civil society workers in areas of SIG and SSG, along with AA-controlled areas, exceeded the abject poverty line by 146 per cent and 59 per cent, while civil society wages in the GoS areas fell 38 per cent below the abject poverty line.

The wage gap from the upper poverty line reached 90 per cent for university-educated employees in the public sector, 56 per cent for private sector workers, and 55 per cent for civil society workers. In all three instances, the wage gap was most pronounced in the GoS areas, followed by AA areas, and subsequently the areas held by SIG and SSG. This

⁵ The poverty lines (abject, lower and upper) were calculated by measuring the impact of inflation on the 2009 poverty lines.

⁶ Equal to the relative difference between the monthly wage and the poverty line. ILO. For details see: International Labour Organization. (2013). *Equal Pay – an introductory guide*. Geneva.

broadening wage gap underscores substantial risks stemming from the poverty experienced by a significant portion of Syrians, and an escalation in their deprivation, as their wage levels deviate further from the poverty lines.

Table (3): Monthly wage gap from poverty lines in Syria during January 2023 (in percentages)

	GoS areas	SIG and SSG areas	AA areas	Whole of Syria
A- Wage gap from the abject poverty line				
University-educated employee in the public sector	-89.7	-26.6	-63.9	-77.9
Private sector worker	-72.0	-23.6	-70.7	-66.6
Civil society worker	-37.9	+145.8	+58.9	-2.1
B- Wage gap from the lower poverty line				
University-educated employee in the public sector	-93.5	-51.9	-76.5	-85.9
Private sector worker	-82.3	-49.9	-80.9	-78.8
Civil society worker	-60.7	+61.3	+3.6	-37.7
C- Wage gap from the upper poverty line				
University-educated employee in the public sector	-95.3	-63.2	-81.1	-89.8
Private sector worker	-61.9	+3.3	-51.6	-55.7
Civil society worker	-71.6	+23.4	-16.8	-54.9

Note: Negative (-) indicates gap and positive (+) indicates excess.

Source: Syrian Center for Policy Research 2023, Monthly consumer price survey in Syria.

Appendix

Appendix (1): Consumer Price Index in Syria by Major consumption groups in January 2023, (2021 = 100)

	Damascus	Rural Damascus	Homs	Hama	Tartous	Lattakia	Idleb	Aleppo	Ar-Raqqa	Deir-ez-Zor	Al-Hasakeh	As-Sweida	Dar'a	Quneitra	SYRIA
All commodities	307	252	252	257	245	262	233	248	258	233	267	255	264	265	261
Food and non-alcoholic beverages	251	254	251	254	242	246	241	258	234	233	285	248	271	269	252
Tobacco	213	219	173	194	175	208	214	204	175	234	246	217	247	217	208
Clothing and footwear	216	232	217	308	271	267	280	261	363	263	243	321	213	202	251
Housing, water, electricity, gas, and other fuels	409	264	267	258	257	297	223	242	374	218	253	264	268	269	299
Household equipment and maintenance	309	267	264	286	258	282	202	200	259	245	308	230	270	239	256
Health	232	272	252	235	241	299	206	298	253	265	269	255	313	288	260
Transportation	305	278	317	338	252	328	272	294	219	288	342	311	272	278	294
Communications	179	181	179	178	180	182	214	205	190	183	190	174	176	172	193
Culture and entertainment	237	297	229	238	248	225	228	263	244	266	323	241	239	206	245
Education	269	244	239	195	283	239	222	244	257	206	257	261	224	209	243
Various goods and services	224	245	258	283	261	239	229	260	186	229	191	287	269	391	249

Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.



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