



Monthly Bulletin for Consumer Price Index and Inflation in Syria

Issue (8) – August 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 the 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 **August 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 the 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, August 2023

In August 2023, the general CPI achieved a second substantial leap in annual and monthly inflation after July. This month's monthly inflation (M-o-M) exceeded the 22 per cent limit after recording 20.5 in July, and the annual inflation rate (Y-o-Y) exceeded the 150 per cent limit. The exchange rate mainly contributed to unbridled inflationary pressures in August 2023. Higher inflation rates appeared in import-dependent commodity groups, and government policies sparked the liberalization of public service prices and subsidized commodities at unbridled inflation levels in August 2023, reflected in inflation ratios for Electricity, Gas and other Fuels (49 per cent), and Transport group (52.2 per cent). Successive surge inflation leaps of over 20 per cent portend a worsening economic catastrophe and faster deterioration compared to 2020-2023.

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

#	Group	July 2023 index	August 2023 index	Monthly Inflation (M-o-M)
	All commodities	392.5	478.6	22.0%
1	Food and non-alcoholic beverages	399.5	493.5	23.5%
2	Tobacco	373.9	425.6	13.8%
3	Clothes and shoes	412.3	482.0	16.9%
4	Housing, water, electricity, and other fuel oils	418.8	500.7	19.6%
5	Household equipment, supplies and maintenance	431.4	507.9	17.7%
6	Health	377.3	453.8	20.3%
7	Transportation	380.6	579.3	52.2%
8	Communications	212.7	213.9	0.6%
9	Entertainment and culture	418.7	499.9	19.4%
10	Education	307.9	313.6	1.9%
11+12	Various commodities and services	398.6	465.0	16.6%

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

The Transportation group achieved the highest inflation levels in August 2023. The inflation rate of the Transportation group was 52 per cent. The unsubsidized gasoline prices rose to SYP 17000 per litre within SYRIA compared to July's SYP 11600. Taxi tariffs increased by 3 km to SYP 15800.

The prices of the Food and non-alcoholic beverages group rose by 23.5 per cent. At the level of food subgroups, the Meat group achieved the highest monthly inflation rate in August 2023 by 28.9 per cent. The average price of 1 kilogram of mutton rose to SYP 122 thousand within Syria and the poultry meat to SYP 32600, linked to several factors, most notably the export¹ and smuggling of many livestock to the Gulf States, higher feed prices for higher official exchange rates, the spread of viral hepatitis among poultry and the death of a large number of them, as well as the country's heatwave in July and August and power outages.

The prices of the Yogurt, cheese, and eggs group rose by 27.5 per cent in August 2023, bringing the price of a kilogram of cheese to SYP 33800 and the price of an egg plate (2 kg) to SYP 42600. The prices of the Dry legumes and vegetables group also rose by 26.9

¹ The price per kilogram of red meat (mutton) in August 2022 was approximately SYP 32000, equivalent to 27 per cent of its price today. Red meat prices have risen since the Prime Minister in SYRIA approved the Economic Commission's proposal to export them in November 2022.

per cent. The price of garlic rose to SYP 26000 due to the lack of production and high transport and export costs. The price per kilogram of tomato rose to SYP 3900.²

In August 2023, Health Group prices rose by 20.3 per cent, with the average price of paracetamol (10 tablets) within Syria reaching SYP 4000 and bactericidal antibiotic (500 mg) SYP 9500. The cost of examining the specialist doctor (Cardiologist) increased to SYP 40000.

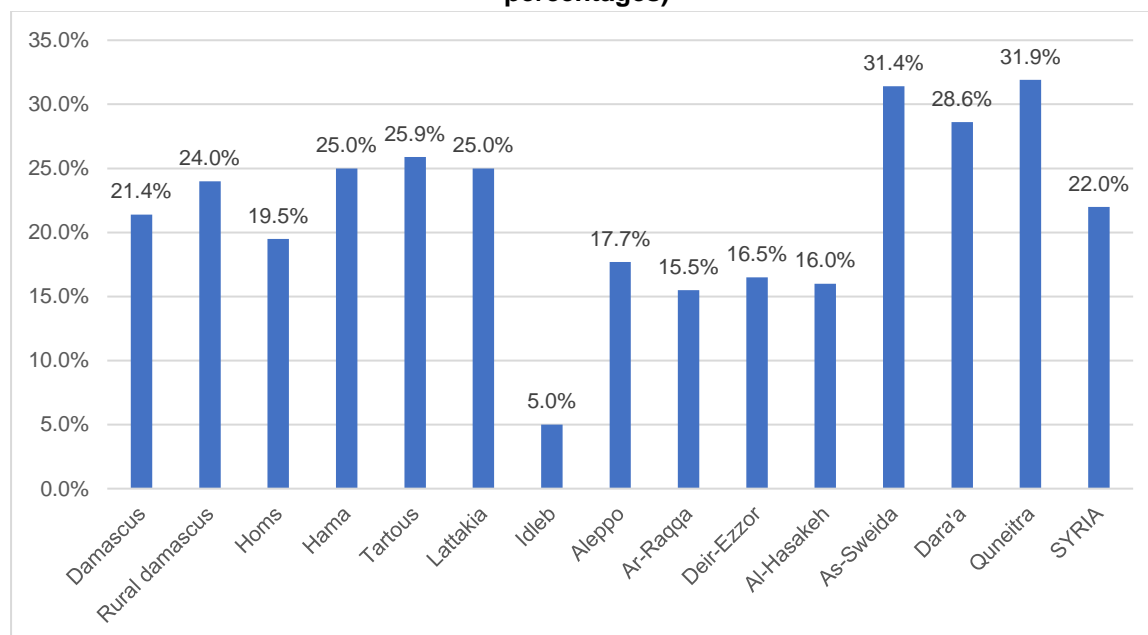
Housing, water, electricity and gas and other fuel oils group prices rose 19.6 per cent in August 2023. The costs of generating electricity from mass generators (Amperat) rose to SYP 5000 per kWh in GoS areas due to a rise in the price of local diesel in the black market, where the price of one litre reached SYP 11800, coincided with the Syrian Government's raising of subsidized diesel prices from SYP 700 to SYP 2000 per litre during this month. The prices of water cisterns have also risen to approximately SYP 33500 within Syria due to the heatwave and high transport costs.

2. Inflation by Governorate

In August 2023, the governorates of Quneitra, As-Sweida and Dara'a marked the highest monthly inflation rates, ranging between 28 and 32 per cent. The governorate of Tartous, Hama, Lattakia, Rural Damascus, Damascus, and Homs recorded a high inflation rate of between 20 and 25 per cent.

The Government of Syria (GoS) areas led in monthly inflation (M-o-M) across all commodities and services in August, recording a rate of 25.2 per cent. Following closely, the Autonomous Administration (AA) recorded a 15.2 per cent inflation, while the Syrian Interim Government (SIG) and the Syrian Salvation Government (SSG) recorded a 4.8 per cent inflation.

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

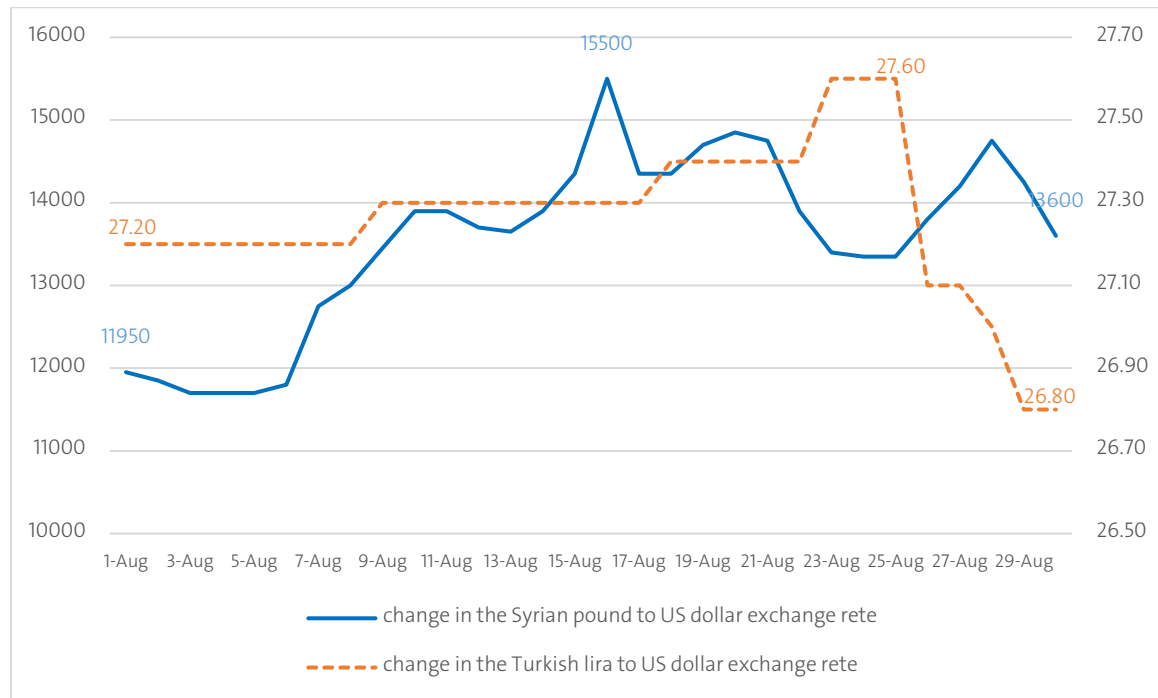


Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

² It is worth mentioning that the Presidency of the Council of Ministers approved the Economic Commission's proposal in May 2023 to export 5000 tons of garlic for two months.

The surge in prices during August coincided with a significant decline in the Syrian pound's exchange rate against the USD by 22.3 per cent (monthly average compared to July). The Turkish lira's (TL) exchange rate against the USD fell slightly by 1.7 per cent. The Syrian pound reached 13600 SYP per dollar at the end of August 2023, compared with 11950 SYP per USD at the beginning of this month. The Turkish lira amounted to TL 26.8 per USD at the end of August 2023, compared to TL 27.2 per USD in the month of its inception.³

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



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

Given that there has been a significant rise in price indices in the GoS areas linked to GoS policies and resolutions issued during August 2023, the following is a breakdown of the most prominent decisions according to the groups most affected by inflation:

a) Transportation Group

Transportation group prices rose unprecedentedly in the GoS areas in August 2023, with a monthly inflation rate of 74.8 per cent. The rise is due to several factors, the most important of which are: 1) The issuance of a decision to raise the price of the premium petrol litre (Octan 90) subsidized by electronic card from SYP 3000 for machinery eligible for Subsidies to SYP 8000 (167 per cent), and from SYP 4600 for machinery excluded from Subsidies to SYP 8000 (76 per cent); 2) The decision to double the taxi fare to SYP 2000 per kilometre, SYP 24000 per hour. 3) A decision was issued to double the microbus price to SYP 1000 instead of SYP 500 for short lines and SYP 2000 for long lines. And 4) the decision to double the kilometre fare of large bus rides (Polmanat) Business Class to

³ The Turkish lira exchange rate fell against the USD in the last week of August 2023 following the Central Bank of Turkey's decision to raise the interest rate from 17.5 per cent to 25 per cent on August 24, 2023.

SYP 90 instead of SYP 45. These decisions have led to a transport crisis in all regions and governorates of the Syrian Government and unprecedented price increases.

b) Food and Non-Alcoholic Beverages Group

The CPI of the Food and non-alcoholic beverages group in the GoS areas increased 24.5 per cent during August 2023 compared to July 2023, topped by the Fats and Oil group with a monthly inflation of 30 per cent. Then the Meat group increased by 29 per cent, then the Bread and Cereals group by 26 per cent. In August, the Syrian Government decided to raise the price of rice distributed to families excluded from support from SYP 4600 to SYP 12500 (172 per cent).⁴ The prices of Sugar and Sweet group in GoS areas rose 23 per cent in August 2023 compared to July 2023, coinciding with raising the price of one kilogram of sugar for families excluded from support from per cent 4900 to SYP 12500).

c) Health Group

In August 2023, the CPI for the Health group increased by 23.9 per cent in GoS areas compared to July 2023. The health sector in the GoS areas has witnessed the loss of certain pharmaceutical items and increased prices on the black market. As a result, the Syrian Ministry of Health agreed to the demands of pharmaceutical manufacturers and raised the prices of certain items on 11 August 2023 by 50 per cent. The Directorate of Pharmaceutical Affairs of the Ministry of Health attributed that increase to the Central Bank of Syria adjusting the official exchange rate according to the banks' bulletin on 24 July 2023. The price of cordons sold to hospitals was also increased to SYP 8000 in mid-August 2023, which affected hospital services.

d) Housing, Water, Electricity, Gas, and other fuel oils Group

The CPI for Housing, water, electricity, gas and other fuels in GoS areas increased by 25.4 per cent in August 2023 compared to July 2023 due to the decision to raise the price of fuel for the subsidized and excluded families, as follows:

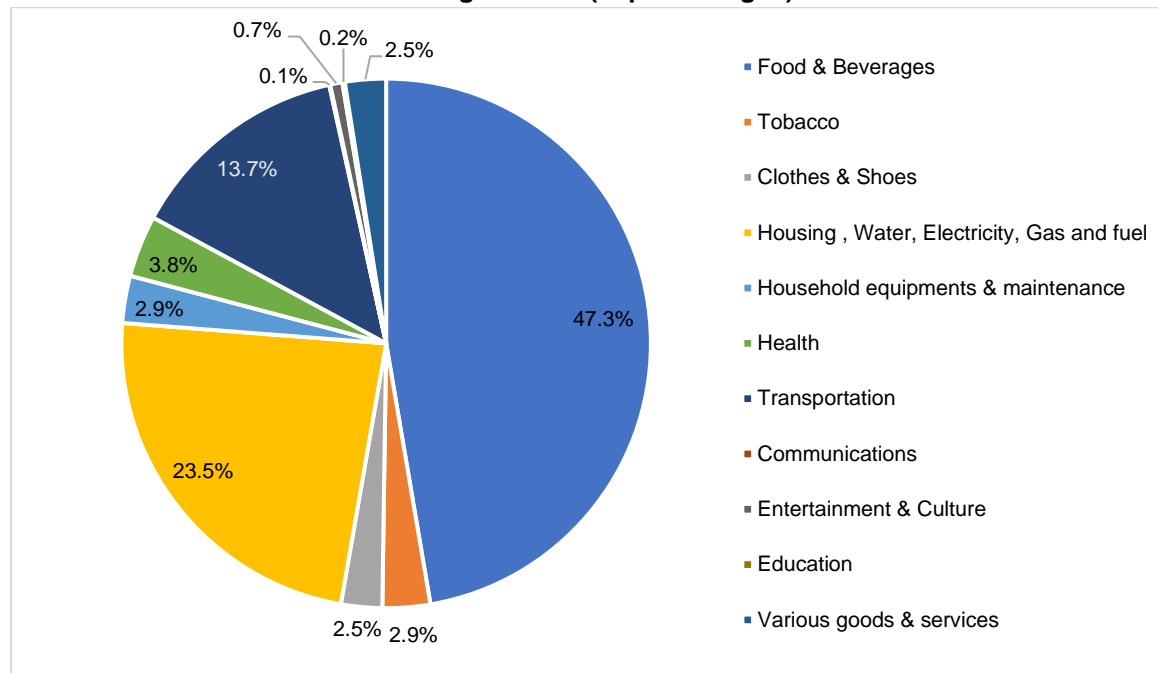
- 1) To raise the price of the local gas cylinder (10 kg) for the first group from SYP 15000 to SYP 18500 (23 per cent) and the excluded from SYP 51000 to SYP 53000 (3.9 per cent) for the excluded.
- 2) Increase the price of one litre of fuel oil for heating for the first group from SYP 700 to SYP 2000 (186 per cent) and for the excluded from support from SYP 5600 to SYP 11550 (106 per cent).
- 3) Raise the price of fuel oil provided for agriculture outside supported allocations, agricultural industries, private hospitals and pharmaceutical factories to SYP 8000 per litre, and 4) raise the price of free fuel oil for the industrial and other sectors to SYP 11550 per litre.

⁴ This decision came a month after India's Ministry of Consumer and Food Affairs issued a [statement](#) on July 20, 2023 to halt the export of white rice except Basmati rice (with immediate effect), the announcement by the Russian government on July 30, 2023 of a ban on the export of rice and rice puff until the end of 2023, and the announcement by the UAE Ministry of Economy of a [moratorium on the export and re-export of rice of Indian origin](#) until the end of 2023 to ensure that adequate supplies are maintained in the domestic market.

3. Contributors to Inflation

In August 2023, the Food and non-alcoholic beverages group⁵ contributed significantly to the monthly inflation (M-o-M) with 22 per cent, making up 47.3 per cent of the total, followed by the Housing, water, electricity, gas, and other fuel oils group with a contribution of 23.5 per cent, trailed by the Transportation group at 13.7 per cent.

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



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

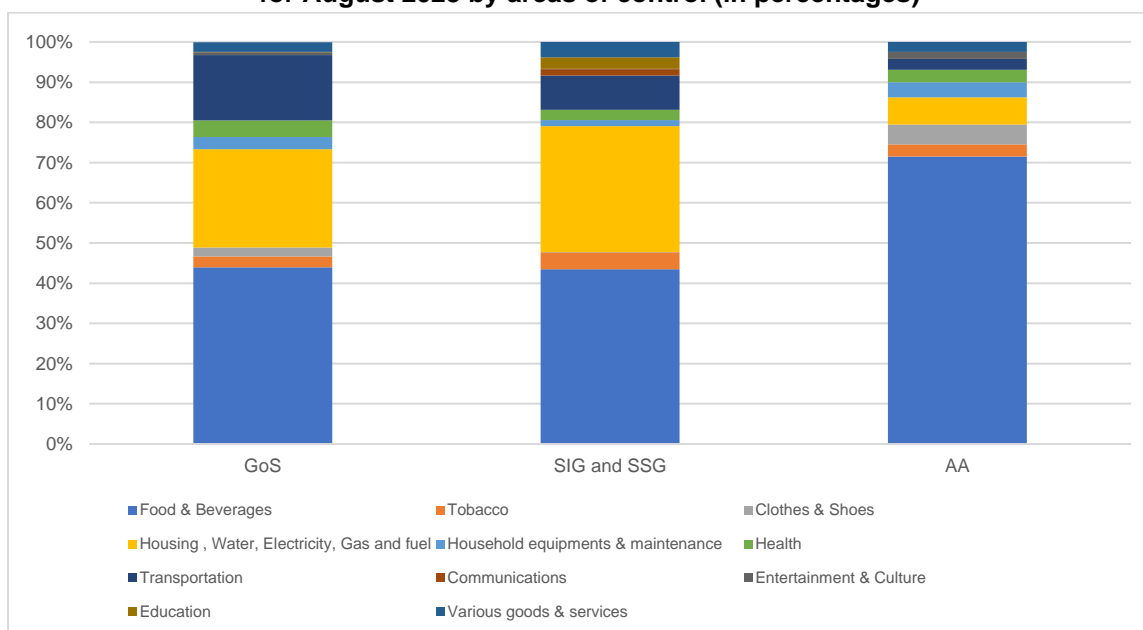
In particular, the Food and non-alcoholic beverages group drove the monthly inflation of the AA areas in August 2023, contributing a substantial 71.5 per cent. It also likely had a noticeable effect on the monthly inflation of GoS areas, contributing 44 per cent, while the contribution in the SIG and SSG areas was slightly lower and recorded at 43.5 per cent.

The Housing, water, electricity, gas, and other fuel oils group played a dominant role in driving the monthly inflation of the SIG and the SSG areas in August 2023, contributing a significant 31.3 per cent, attributed to the sustained surge in housing demand and the rising costs of building materials, six months after the earthquake that struck areas of northern Syria in February 2023. The Electricity Company in the SIG areas raised the electricity tariff to TL 4.5 per kWh instead of TL 3.2 in the previous month (up 40 per cent) due to the decline in the exchange rate of the Turkish lira against the USD. The group also contributed 24.4 and 6.8 per cent to the monthly inflation of GoS and AA areas, respectively.

The transportation group contributed 16.2 per cent of the monthly inflation of the GoS areas as a result of decisions to raise subsidized and unsupported gasoline prices and transport tariffs for transportation (public and private), contributing 6.6 and 4.9 per cent of the monthly inflation of the AA and GoS areas, respectively.

⁵ The contribution rate to inflation means the percentage of the contribution of each consumption group to annual inflation, out of 100%.

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



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

4. Wages in Syria, August 2023

In August 2023, the average monthly wage in Syria stood at approximately SYP 443 thousand for a university-educated employee in the public sector at the start of their appointment. The wage in the private sector reached around SYP 638 thousand, while it counted in the civil sector at SYP 1.85 million.

Upon comparing wage levels between areas of control in Syria, it is evident that wages in both the public and private sectors in the SIG and the SSG areas are the highest, followed by wages in AA GoS areas. Furthermore, the wages of the public and private sectors were lower than in the civil sector, as wages in the private and public sectors were approximately 34 and 24 per cent in the civil one within Syria.⁶

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

	GoS areas	SIG and SSG areas	AA areas	Whole of Syria
A- Public sector workers				
Staff wages (professor)	224,232	6,089,568	3,090,000	1,388,570
Staff wages (university-educated)	103,838	1,492,934	1,060,000	442,589
Staff wages (4th band)	95,346	1,046,608	1,040,000	376,906
B- Private sector workers				
Company director salary	1,323,409	4,440,309	1,580,000	1,714,579
Shop worker salary	464,394	1,551,137	730,611	637,975
C- Civil sector workers				
Staff wages (university-educated)	846,894	5,328,371	3,747,667	1,849,471

Note: Employees' wages in the SSG areas are denominated in USD dollars or their equivalent in Turkish lira, and those in the SIG areas are paid in Turkish lira. The wage values in this table have been converted to the Syrian pound for comparison with other areas.

⁶ Although the wages of civil sector workers in the GoS areas are relatively high compared to public and private sector wages, they are very low compared to the rest of the areas. It equates to 25 per cent of the wages of civil sector workers in the AA areas, and 17 per cent of the wages of civil sector workers in the SSG and SIG areas in June 2023.

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

The monthly inflation in August 2023 had a significant impact, leading to a decrease in the real wages of public sector workers⁷ in GoS areas by 20 per cent compared to July 2023. Similarly, the real wages of civil sector workers decreased by 10.6 per cent and 10.3 per cent in the private sector.⁸

The real wages in SSG and SIG areas decreased by 3.3 per cent in August 2023 compared to July 2023, 2.4 per cent in the private sector and 3.2 per cent in the civil sector.

In AA areas, the real wages increased by 74 per cent in August 2023 compared to July 2023, with 1.6 per cent of this increase in the private sector and 2.3 per cent in the civil, attributed to the official circular by the Executive Council and the Financial Authority of AA to increase wages by 100 per cent increase in the AA areas (valid from August 2023).⁹

Table (3): Real Wages Monthly Growth in Syria in August 2023 (Percentage)

	GoS areas	SIG and SSG areas	AA areas
Public sector workers	-20.11%	-3.32%	73.64%
Private sector workers	-10.26%	-2.36%	16.24%
Civil sector workers	-10.62%	-3.19%	2.27%

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

⁷ 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](#).

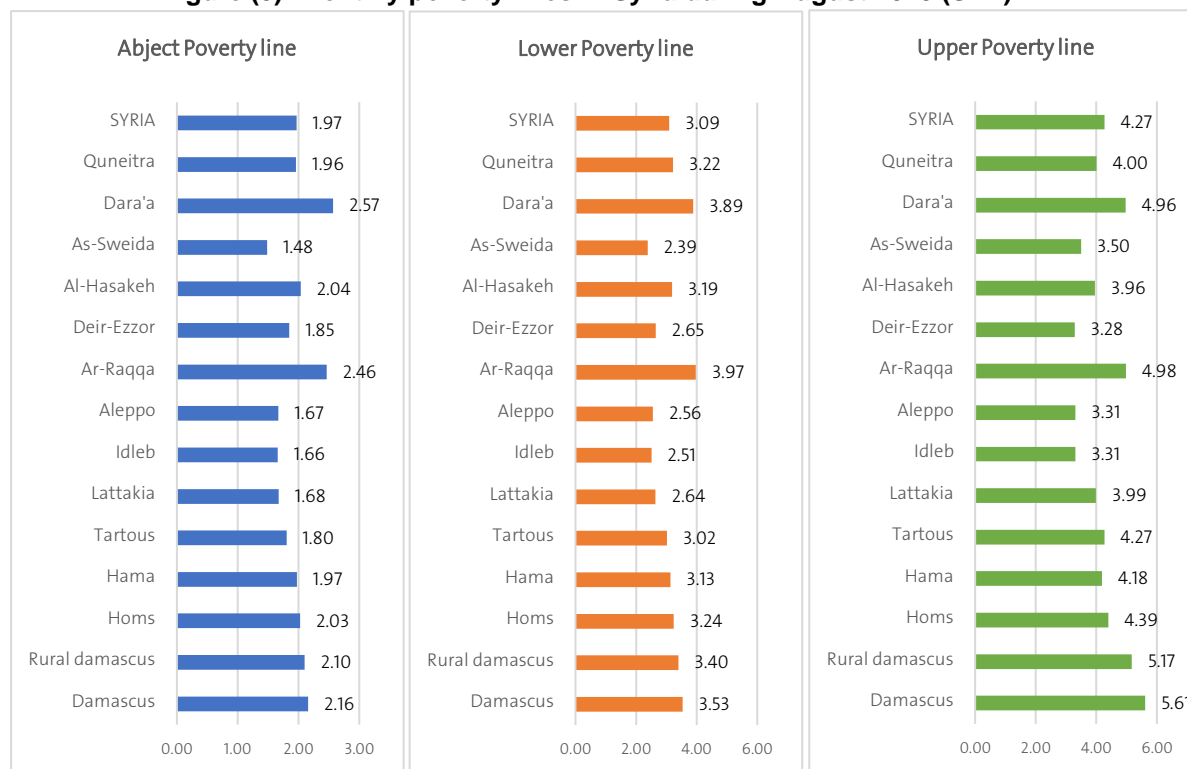
⁸ [Legislative Decrees No. 11 and 12 of 2023 were issued on August 16, 2023](#), adding 100% to the salaries and wages withheld for both civil servants, military personnel and retirees. However, the application of this decree is effective in September 2023, and the increase was not noted in the month of this August.

⁹ The Department of AA issued [Circular No. 27 on 27/8/2023](#), amending the salary and wage scale in the autonomous areas by raising it by 100 per cent, with implementation in force this August.

5. Poverty Lines in Syria, August 2023

In August 2023, the abject poverty line for families,¹⁰ serving as an indicator of food insecurity, rose to SYP 1.97 million per month, marking an increase of SYP 371 thousand from July 2023. The lower poverty line increased by SYP 584 thousand from the previous month to reach 3.1 million, while the upper poverty line saw an SYP 807 thousand increase, reaching 4.28 million. The highest values for poverty lines were recorded in the governorates of Ar-Raqqa, Dara'a, Damascus, and Rural Damascus, while As-Sweida, Aleppo, Lattakia, and Deir-Ezzor recorded the lowest poverty lines in August 2023.

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



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

Comparing areas of control shows that AA areas ranked the highest in poverty lines in August 2023, where the abject poverty line reached SYP 2.13 million and the upper poverty line SYP 4.07 million. Following were the areas of the GoS with an abject poverty line of SYP 1.94 million and an upper poverty line exceeding SYP 4.25 million per month. Lastly, the SIG and the SSG areas had an abject poverty line of SYP 1.51 million and an upper poverty line above SYP 3 million.

¹⁰ The poverty lines (abject, lower and upper) were calculated by measuring the impact of inflation on the 2009 poverty lines.

A comparison between wages in current prices and monthly poverty lines reveals that the wage gap¹¹ from the abject poverty line within Syria level in August 2023 reached about 78 per cent for a university-educated employee in the public sector, 68 per cent for a private sector worker, and 6 per cent for a civil sector worker. Notably, wages of civil sector workers in the SIG, the SSG and the AA areas surpassed the abject poverty line by 255 per cent and 76 per cent, respectively, whereas wages in the civil sector in the GoS areas were 56.5 per cent lower than the abject poverty line, highlighting the elevated poverty levels, especially among public sector workers.

Table (4): Monthly wage gap from poverty lines in Syria during August 2023 (in percentages)

	GoS areas	SIG and SSG areas	AA areas	Whole of Syria
A- Wage gap from the abject poverty line				
University-educated employees in the public sector	-94.7%	-0.6%	-50.3%	-77.5%
Private sector worker	-76.1%	3.3%	-65.8%	-67.6%
Civil sector worker	-56.5%	+254.7%	+75.6%	-6.0%
B- Wage gap from the lower poverty line				
University-educated employees in the public sector	-96.6%	-34.8%	-67.6%	-85.7%
Private sector worker	-84.9%	-32.2%	-77.7%	-79.4%
Civil sector worker	-72.5%	+132.8%	+14.6%	-40.2%
C- Wage gap from the upper poverty line				
University-educated employees in the public sector	-97.6%	-50.1%	-74.0%	-89.6%
Private sector worker	-68.9%	+48.4%	-61.2%	-59.9%
Civil sector worker	-80.1%	+78.1%	-8.0%	-56.7%

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

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

¹¹ Equals 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.

Appendix

Appendix (1): Consumer Price Index in Syria by Major Consumption Groups in August 2023, (2021 = 100)

	Damascus	Rural Damascus	Homs	Hama	Tartous	Lattakia	Idleb	Aleppo	Ar-Raqqa	Deir-Ezzor	Al-Hasakeh	As-Sweida	Dara'a	Quneitra	SYRIA
All commodities	483	478	490	481	523	486	334	451	508	428	521	502	520	493	479
Food and non-alcoholic beverages	538	520	552	515	484	514	324	461	461	455	570	503	536	511	494
Tobacco	449	459	421	397	514	425	285	333	363	448	458	466	450	423	426
Clothing and footwear	396	488	372	495	518	548	379	418	738	506	691	639	413	456	482
Housing, water, electricity, gas, and other fuels	465	445	443	422	650	411	385	480	697	354	489	514	569	444	501
Household equipment and maintenance	610	507	559	633	496	541	254	344	495	565	753	600	594	786	508
Health	442	472	433	458	428	495	310	464	576	406	470	473	564	461	454
Transportation	666	624	628	631	554	732	398	562	443	535	578	620	614	682	579
Communications	236	238	236	235	237	240	186	274	246	240	253	230	231	231	214
Culture and entertainment	484	575	514	535	439	498	276	424	499	514	795	449	607	443	500
Education	288	266	340	280	372	313	368	290	360	259	342	269	267	227	314
Various goods and services	416	445	418	481	595	408	356	458	571	439	487	490	404	548	465

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

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