



Monthly Bulletin for Consumer Price Index and Inflation in Syria

Issue (3) – March 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 **March 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, March 2023

In March 2023, the general price index reported annual inflation (Y-o-Y) at 80.1 per cent and monthly inflation (M-o-M) at 4.2 per cent. The Tobacco group registered the highest monthly inflation rate in March at 7.5 per cent. This increase was attributed to increase in average price of national tobacco in Syria, reaching about SYP 3750, while the price of imported tobacco rose to SYP 5625. Additionally, the Household Equipment & Supplies and Ordinary Maintenance Works group recorded a significant monthly inflation of 6.3 per cent in March 2023. The average price of a gas stove 4 burner at the Syria level increased to SYP 1.55 million, while the cost a refrigerator (19 feet) rose to SYP 3.9 million.

The Food & non-Alcoholic Beverages group experienced significant inflation in March 2023, with a rate of 5.9 per cent. This lined up with the arrival of Ramadan, contributing to a 17 per cent increase in meat prices. Consequently, the price per kilogram of poultry rose to SYP 22300, and beef reached SYP 56 thousand. Additionally, prices for legumes and vegetables increased by 7.2 per cent, with the average price of a kilogram of dry chickpeas reaching SYP 8675, and eggplants reaching SYP 4275 per kilo. The Fish and Seafood group also saw a 6.9 per cent increase, with the average price of a kilogram of salt-water fish (gilt-head bream) reaching SYP 66 thousand, and river fish (carp) reaching SYP 21 thousand. At the sub-group level of Non-alcoholic Drinks, prices for mineral water and soft drinks rose by 9.8 per cent, bringing the average price of a bottle of mineral water (1.5 liters) to SYP 2000 at the Syria level.

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

#	Group	February 2023 index	March 2023 index	Monthly Inflation (M-o-M)
	All commodities	275.0	286.4	4.2%
1	Food & non-alcoholic beverages	272.6	288.6	5.9%
2	Tobacco	226.8	243.9	7.5%
3	Clothes & shoes	265.9	278.5	4.7%
4	Housing, water, electricity, and gas	306.2	313.5	2.4%
5	Household equipment, supplies & maintenance	271.6	288.8	6.3%
6	Health	269.7	278.6	3.3%
7	Transportation	290.5	288.4	-0.7%
8	Communications	193.5	194.3	0.4%
9	Entertainment & culture	258.7	274.2	6.0%
10	Education	244.9	250.0	2.0%
11+12	Various commodities & services	264.6	276.5	4.5%

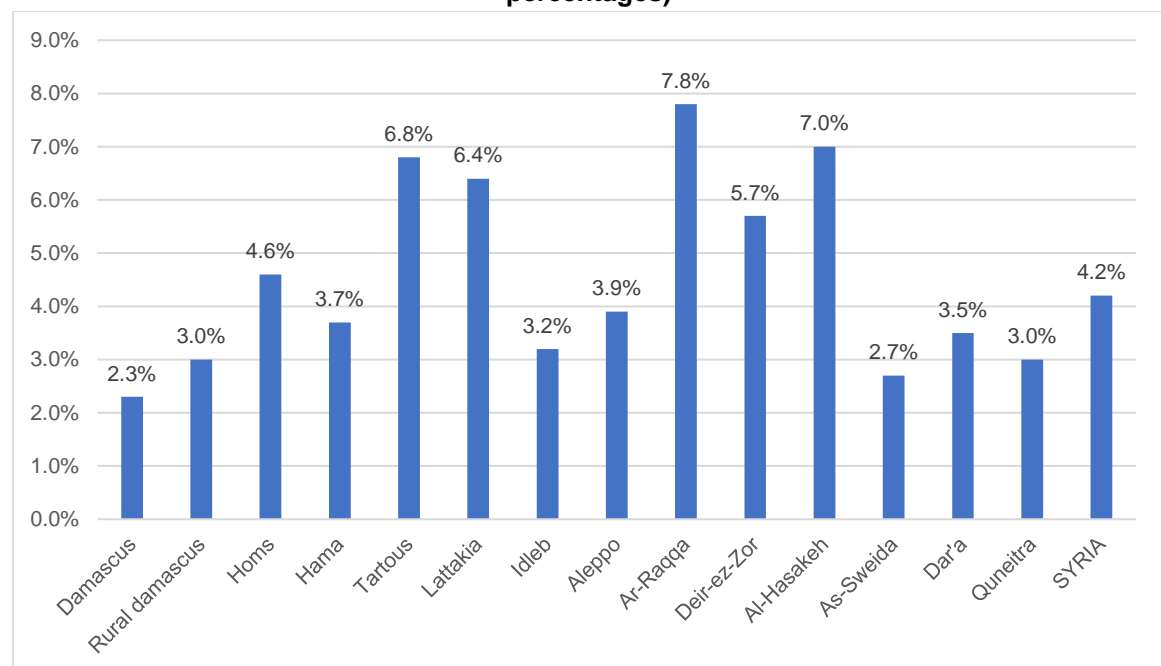
Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

2. Inflation by Governorate

In March 2023, the governorates of Ar-Raqqa, Al-Hasakeh, Tartous, and Lattakia registered the highest monthly inflation levels, ranging between 6.4 per cent and 7.8 per cent. Conversely, the Damascus governorate attained the lowest monthly inflation rate for the same period, standing at 2.3 per cent.¹

Also in March, the Autonomous Administration (AA) areas claimed the highest monthly inflation (M-o-M) across all commodities and services, reaching 6.9 per cent. Subsequently, the Government of Syria (GoS) areas followed with 4 per cent, while Syrian Interim Government (SIG) and the Syrian Salvation Government (SSG) areas recorded a rate of 2.8 per cent.

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



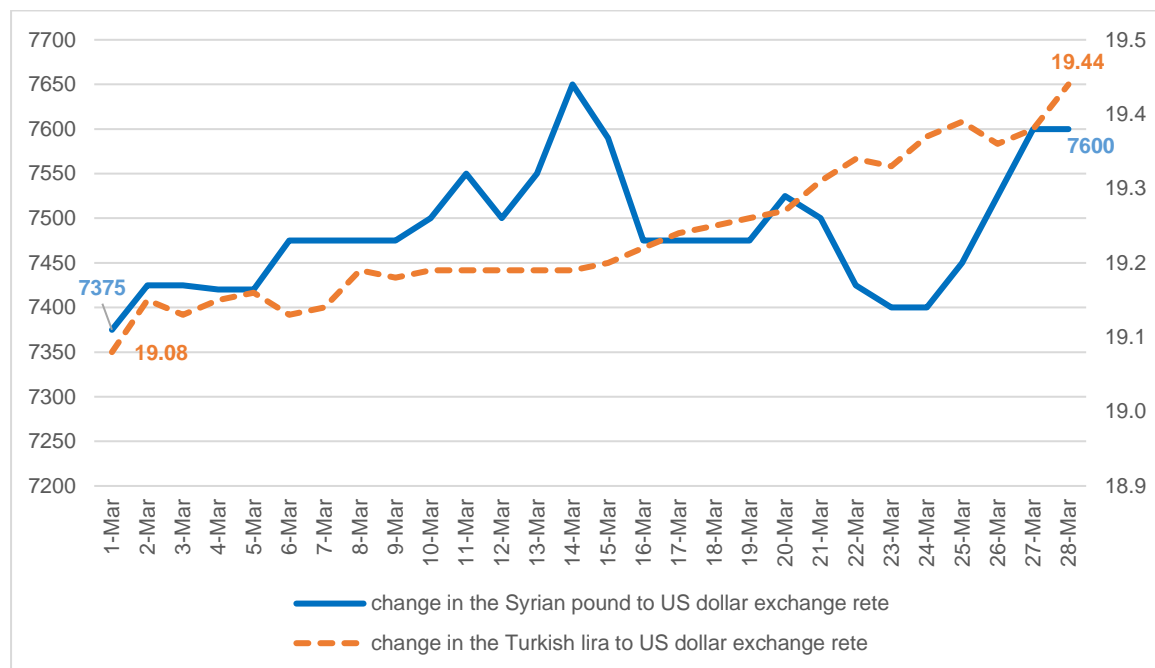
Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

¹ For more details on monthly inflation in the governorates, see Appendix (1).

March 2023 witnessed a notable surge in monthly food inflation in AA areas, reaching 9.8 per cent, with the Meat group being the major contributor, experiencing a remarkable 27.2 per cent increase during the same period. The cost of one kilogram of mutton in Al-Hasakeh, Ar-Raqqa, and Deir-ez-Zor soared to SYP 58 thousand, 60 thousand, and 61 thousand, respectively, compared to SYP 38 thousand, 40 thousand, and 39 thousand in February 2023. This upswing in livestock prices can be attributed to the export of livestock to Iraq (Kurdistan Region) through the Semalka Border Crossing, driven by increased demand for Syrian meat on the Iraqi side during the month of Ramadan.² Additionally, the prices of legumes and vegetables surged by 20.7 per cent, influenced by a decline in agricultural production in Deir-ez-Zor. In response, the Economic Committee in the AA issued a decree to set a ceiling for the sale price of meat at SYP 50 thousand per kilogram and a profit ceiling for vegetables at 25 per cent, with an exception for tomatoes, which received a 35 per cent profit ceiling.

The SIG and SSG areas experienced relatively modest monthly inflation compared to other regions, accompanied with a slight uptick in the exchange rate of the Turkish Lira (TL) against the USD. By the end of March 2023, the value of the TL against the USD reached 19.4, compared to 19.1 at the beginning of the month. Simultaneously, the value of the SYP against the USD reached SYP 7600 by the end of March 2023, compared to SYP 7375 at the beginning of the month.

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



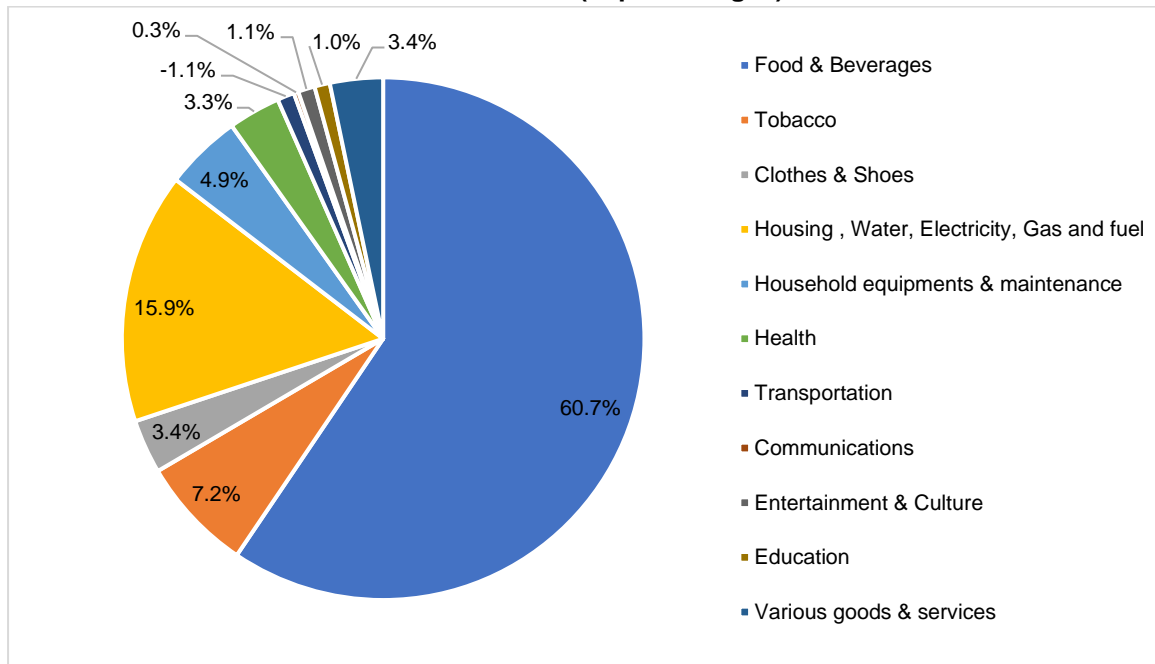
Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2023.

² In response to this situation, the Joint Presidency of the Executive Council of the AA issued a decision to halt the export of livestock. Initially implemented from February 27, until March 3, 2023, the decision was later extended on March 4 and remains in effect until further notice.

3. Contributors to Inflation

The Food & non-Alcoholic Beverages group made the most significant³ contribution to monthly inflation (M-o-M) for March 2023 prices (standing at 4.2 per cent) comprising 60.7 per cent of the total contribution. It was followed by the Housing, Water, Electricity, Gas, and other fuel oils group at 15.9 per cent, and then the Tobacco group at 7.2 per cent.

Figure (3): Contribution of major consumption groups to the monthly inflation rate (M-o-M) for March 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%.

Looking at the control areas, the Food & non-Alcoholic Beverages group played a dominant role in the monthly inflation of AA areas, contributing a substantial 70.7 per cent to the total monthly inflation in March 2023. It also played a large role by contributing 59 per cent to the monthly inflation of the GoS areas, and 46 per cent to the monthly inflation of the SIG and SSG areas.

In terms of the monthly inflation rate, the Housing, Water, Electricity, Gas, and other fuel oils group played a crucial role in SIG and SSG areas, contributing the highest share of 49.9 per cent. This surge was attributed to increased demand for housing in the aftermath of the earthquake that struck areas of northern Syria in February 2023. In comparison, the group made contributions of 17 per cent and 13 per cent in the areas of the AA and the GoS, respectively.

The Food and Beverages groups, along with Housing, Water, Electricity, Gas, and other fuel oils group, were responsible for approximately 96 per cent of the monthly inflation in the SIG and SSG areas. Likewise, they made up 87.8 per cent of the monthly inflation in AA areas and 72 per cent of the monthly inflation in the GoS areas.

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



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

4. Wages in Syria, March 2023

In March 2023, the average monthly wage in Syria stood at approximately SYP 276 thousand for a university-educated employee in the public sector, at the start of their appointment. Meanwhile, a worker in the private sector earned an average of around SYP 369 thousand, and a worker in the civil society sector received SYP 1.1 million on average.

When examining wage levels across areas of control, it becomes evident that wages in both the public and private sectors were highest in SIG and SSG areas. AA areas followed in terms of wage levels, while the GoS areas reported the lowest wages. Particularly noteworthy is the substantially higher wage scale for civil society workers across all regions. University-educated employees in the civil society sector earned roughly three times more than their private sector counterparts, and four times more than their public sector counterparts at the national level.⁴

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

	GoS areas	SIG and SSG areas	AA areas	Whole of Syria
A- Public sector workers				
Staff wages (professor)	224,232	3,482,113	1,545,000	825,948
Staff wages (university educated)	103,838	936,298	530,000	275,689
Staff wages (4th band)	95,346	667,740	520,000	235,546
B- Private sector workers				
Company director salary	909,383	2,526,884	1,000,000	1,100,743
Shop worker salary	308,009	916,567	266,667	368,643
C- Civil society workers				
Staff wages (university educated)	639,307	3,011,556	1,879,307	1,107,152

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

To address the ongoing escalation in prices, the Finance Committee of the AA took action on March 28, 2023, by approving a 100 per cent increase in the wages of workers in affiliated institutions. This decision resulted in a substantial boost, raising the minimum wage from SYP 320 thousand to 520 thousand.⁵ As a consequence, the real wages of public sector workers⁶ in AA areas experienced a noteworthy 27 per cent growth compared to their earnings in February 2023. Conversely, the purchasing power of public sector workers' wages in the GoS areas witnessed a decline of 3.8 per cent. Meanwhile, the purchasing power of workers' wages in SIG and SSG areas saw an increase of 7.9 per cent, attributed to the adoption of the USD as the basis for wages.

Upon comparing the purchasing power of wages in March 2023 with the purchasing power of wages in 2021 on a national scale, it becomes evident that the purchasing power of workers in the public sector, private sector, and civil society sector has declined by 28.5 per cent, 27.8 per cent, and 22.2 per cent, respectively. Despite wage hikes, the ability of citizens to purchase commodities with their March 2023 wages is diminished compared to what they could afford with their 2021 wages, underscoring an ongoing deterioration of wages, and a decline in living standards.

⁴ There is a considerable gap in civil society sector wages among control areas, with civil society workers in SIG-controlled and SSG-controlled areas earning roughly 1.6 times more than those in AA areas, and 4.7 times more than their counterparts in the GoS areas.

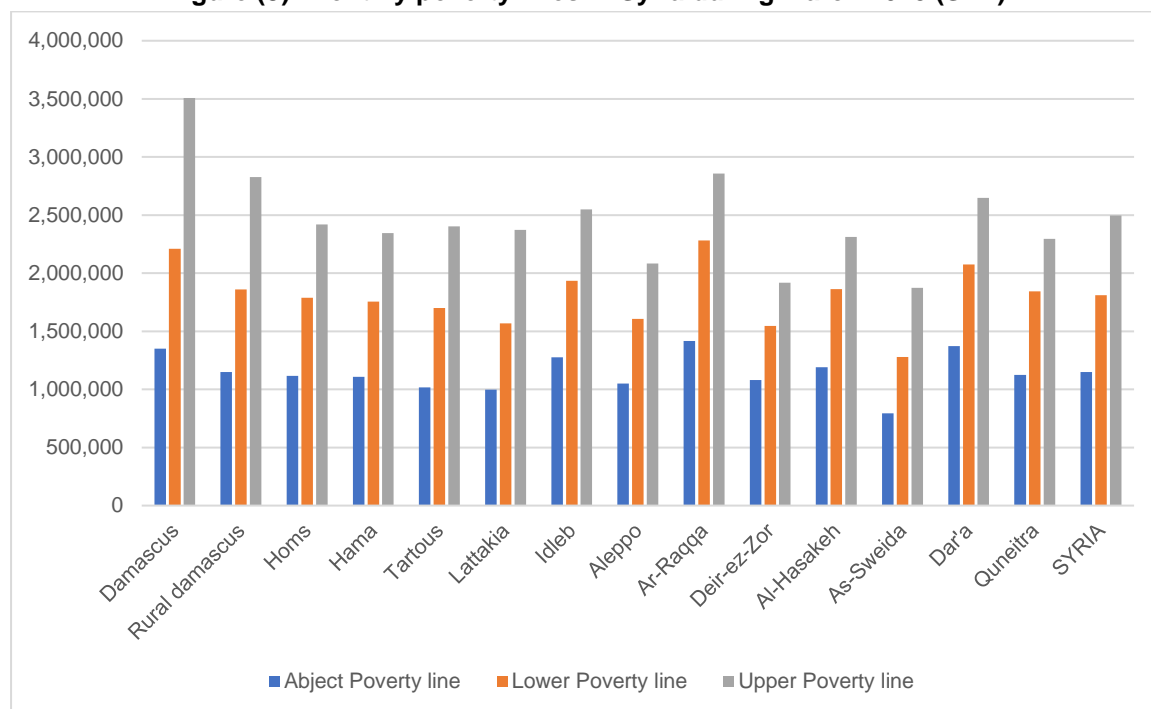
⁵ Autonomous Administration of North and East Syria Executive Council / Finance Committee, Circular No. 83 dated 28/3/2023. The decision was applied to the wages of March 2023.

⁶ 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, March 2023

The abject poverty line for families,⁷ serving as an indicator of food insecurity, rose to SYP 1.15 million per month in March 2023, marking an increase of SYP 48 thousand from February 2023. Meanwhile, the lower poverty line increased by SYP 75 thousand to reach 1.81 million, and the upper poverty line rose by SYP 103 thousand to reach 2.5 million. During March, Damascus, Ar-Raqqa, Dar'a, and Idleb witnessed the highest values for poverty lines, while As-Sweida and Deir-ez-Zor governorates recorded the lowest values.

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



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

In March 2023, a comparative analysis of areas of control reveals that AA areas took the lead regarding both the abject and lower poverty lines. The abject poverty line in these areas reached SYP 1.23 million, and the lower poverty line stood at SYP 1.88 million. Following closely, SIG and SSG areas recorded an abject poverty line of SYP 1.12 million, and a lower poverty line of SYP 1.70 million. Meanwhile, areas held by the GoS reported an abject poverty line of SYP 1.11 million, and a lower poverty line of SYP 1.75 million. However, in terms of the upper poverty line, the GoS areas recorded the highest level at SYP 2.4 million, compared to SYP 2.3 million in AA areas and SYP 2.2 million in SIG and SSG areas. These variations underscore the impact of rising prices, especially in regions heavily dependent on imports or commodities from areas beyond their control, coupled with increased transportation costs and road-block tolls.

March 2023 witnessed a concerning trend, as the analysis of nominal wages against monthly poverty lines highlighted a widening wage gap⁸ across different sectors in Syria. Specifically, the wage gap surged from the abject poverty line at the national level,

⁷ The poverty lines (abject, lower and upper) were calculated by measuring the impact of inflation on the 2009 poverty lines.

⁸ 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.

reaching around 76 per cent for university-educated employees in the public sector, 68 per cent for those in the private sector, and 3.7 per cent for civil society sector workers. Furthermore, the wage gap from the upper poverty line reached 89 per cent for university-educated employees in the public sector, and 56 per cent for workers in the private and civil society sectors. These findings emphasize the distressing decline in wages, especially among public sector workers, contributing to an expanding rift between their earnings and the poverty lines.

Table (3): Monthly wage gap from poverty lines in Syria during March 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	-90.6	-16.2	-56.8	-76.0
Private sector worker	-72.2	-18.0	-78.3	-68.0
Civil society worker	-42.2	+169.6	+53.3	-3.7
B- Wage gap from the lower poverty line				
University-educated employee in the public sector	-94.1	-45.0	-71.8	-84.8
Private sector worker	-82.4	-46.2	-85.8	-79.6
Civil society worker	-63.4	+76.9	0.0	-38.8
C- Wage gap from the upper poverty line				
University-educated employee in the public sector	-95.7	-57.9	-77.4	-89.0
Private sector worker	-62.4	+13.6	-57.3	-55.9
Civil society worker	-73.6	+35.4	-19.7	-55.7

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 March 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	326	272	281	282	278	299	250	272	295	258	303	274	284	283	286
Food and non-alcoholic beverages	292	285	297	287	290	301	273	294	271	271	347	277	291	300	289
Tobacco	242	258	222	230	257	246	219	228	211	254	297	258	275	234	244
Clothing and footwear	233	254	260	312	344	333	286	288	440	285	258	347	229	210	279
Housing, water, electricity, gas, and other fuels	409	272	273	282	271	332	234	264	421	230	270	268	289	269	314
Household equipment and maintenance	340	295	314	324	317	318	203	233	292	254	386	259	289	271	289
Health	262	296	272	254	256	322	213	311	302	292	258	291	352	290	279
Transportation	308	264	323	339	251	303	274	300	225	262	357	294	274	285	288
Communications	180	181	179	178	181	181	217	205	190	184	191	174	176	173	194
Culture and entertainment	256	322	303	255	321	271	243	271	274	278	347	262	279	222	274
Education	273	244	252	200	288	252	241	245	317	206	257	261	244	212	250
Various goods and services	248	280	268	300	311	281	231	289	222	243	243	303	283	422	277

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



scpr-syria.org
info@scpr-syria.org