



Monthly Bulletin for Consumer Price Index and Inflation in Syria

Issue (7) – July 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 **July 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.

Contents

Preface	1
List of Tables	3
Table of Figures	3
Acronyms and Abbreviations	4
1. Inflation in Syria, July 2023	5
2. Inflation by Governorate	7
3. Contributors to Inflation.....	10
4. Wages in Syria, July 2023.....	12
Appendix	15

List of Tables

Table (1): Monthly consumer price inflation in Syria for July 2023 by consumption group (base year 2021 =100).....	5
Table (2): Average monthly wages in Syria during July 2023	12
Table (3): Real Wages Monthly Growth in Syria in July 2023	12
Table (4): Monthly wage gap from poverty lines in Syria during July 2023	14

Table of Figures

Figure (1): Monthly inflation (M-o-M) of consumer prices in Syria during July 2023.....	7
Figure (2): Change in the unofficial exchange rate of the SYP and the TL against the USD during July 2023.....	8
Figure (3): The evolution of the official exchange rate of the Syrian Pound against the USD During the period (January 2023 - July 2023).....	9
Figure (4): Contribution of major consumption groups to the monthly inflation rate (M-o-M) for July 2023	10
Figure (5): Contribution of major consumption groups to the monthly inflation rate (M-o-M) for July 2023 by areas of control	11
Figure (6): Monthly poverty lines in Syria during July 2023	13

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, July 2023

The general CPI achieved a substantial leap in annual and monthly inflation in July 2023 compared to the previous six months. This month's annual inflation rate (Y-o-Y) exceeded the 111 per cent limit, and monthly inflation (M-o-M) exceeded 20 per cent.

The Tobacco group, the Entertainment and culture group, the Household equipment, supplies and maintenance, the Food and non-alcoholic beverages group, and the Transportation group achieved the highest inflation levels in July 2023 at over 20 per cent. The monthly inflation rate for the Tobacco group reached 30 per cent, raising the average price of the local cigarette packaging in Syria to SYP 5200 and foreign cigarettes to SYP 9800.

The CPI for the Entertainment and culture group rose by 28.5 per cent, as the price of a television screen (Smart 32-inch) of SYP 2 million and a laptop for an engineering student of SYP 8.4 million on average.

The CPI of the Household equipment, supplies and maintenance group also increased by 25 per cent, bringing the refrigerator price (18 feet) to SYP 6.2 million and the automatic washing machine (7 kg and 1200 rpm) to SYP 6.1 million.

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

#	Group	June 2023 index	July 2023 index	Monthly Inflation (M-o-M)
	All commodities	325.6	392.5	20.5%
1	Food and non-alcoholic beverages	321.2	399.5	24.4%
2	Tobacco	287.2	373.9	30.2%
3	Clothes and shoes	339.4	412.3	21.5%
4	Housing, water, electricity, gas, and other fuel oils	358.5	418.8	16.8%
5	Household equipment, supplies and maintenance	344.3	431.4	25.3%
6	Health	319.0	377.3	18.3%
7	Transportation	311.2	380.6	22.3%
8	Communications	245.9	212.7	-13.5%
9	Entertainment and culture	325.9	418.7	28.5%
10	Education	281.7	307.9	9.3%
11+12	Various commodities and services	330.6	398.6	20.6%

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

The prices of the Food and non-alcoholic beverages group rose by 24.4 per cent. The group of Oils and fats achieved the highest monthly inflation rate compared to other sub-groups by 39 per cent. The average price of kilograms of olive oil rose within Syria to SYP 52000, and one litre of cooking oil rose to SYP 21000.¹

Sugar and sweet group prices rose 34 per cent during July 2023, bringing the price of one kilogram of sugar (not subsidized) to SYP 12350 and one kilogram of luqaimat and meshabek Sweet to SYP 17800. The prices of the fruit group also rose by 30.5 per cent, bringing the price of one kilogram of bananas (imported from Lebanon) to SYP 21000,

¹ Compared to July 2022 prices, the average per kilogram of olive oil within Syria was SYP 17400, equivalent to one-third of today's price. The price of olive oil has started rising since [the Ministry of Economy and Foreign Trade's decision No. 1098 of 6/12/2022](#) to allow the export of 45 thousand tons of olive oil until the end of 2023, on the pretext that there is a surplus in the market.

lemon to SYP 9300, and pistachios for making confectionery (whole grain) to SYP 275000. The prices of the bread and cereals group also rose by 26 per cent, bringing the price of one kilogram of white bread (unsupported) to SYP 6850 on average, Egyptian rice (short grain) to SYP 14900, and coarse burger to SYP 9900.

The prices of the Non-alcoholic beverage group rose by 27.7 per cent, bringing the price of one kilogram of mocha coffee (without cardamom) to SYP 101000 and one kilogram of Coarse black tea to SYP 121000.

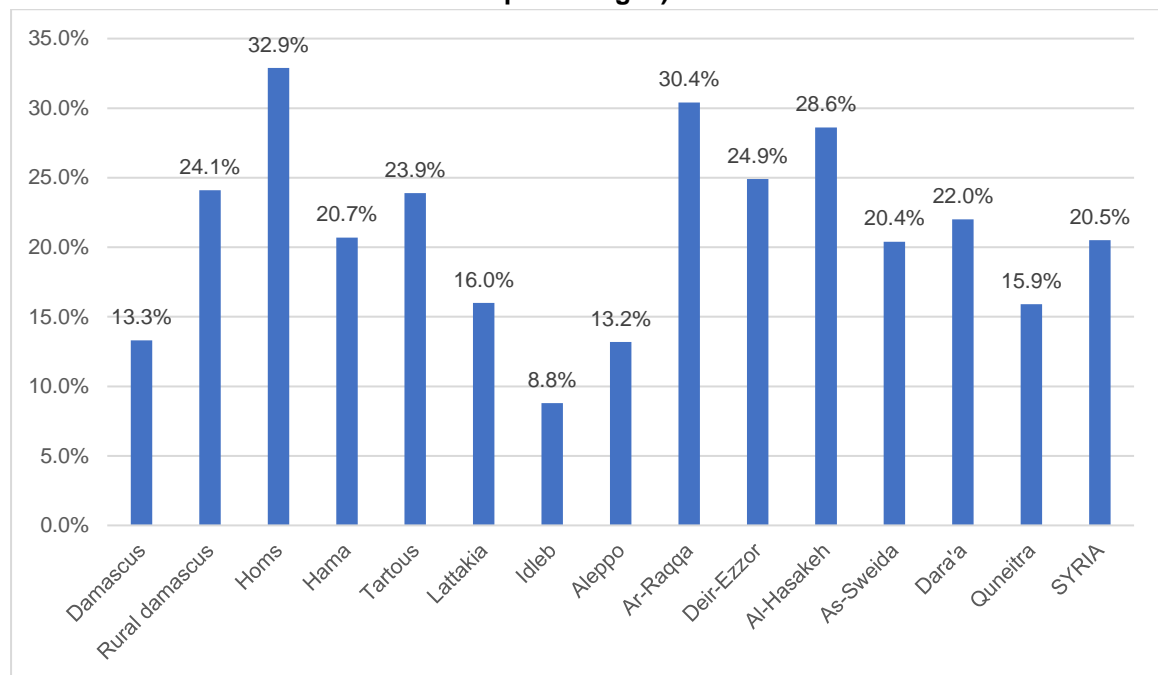
The inflation rate of the Transportation group was 22 per cent. The rise in transport services was noticeable in the AA areas after the self-administration raised the price of fuels in mid-July 2023 by between 36 per cent and 88 per cent, bringing the refined gasoline price to SYP 1700, up from SYP 1250 and the unsubsidized fuel oil used for transportation to SYP 1700 after it was SYP 1200. As a result of this decision, the transport prices in northern and eastern Syria doubled to SYP 1500 compared with SYP 1000 before increasing.

2. Inflation by Governorate

In July 2023, the governorates of Homs, Ar-Raqqa and Al-Hasakeh marked the highest monthly inflation rates at 28 per cent and 33 per cent. The governorate of Deir-Ezzor, Rural Damascus, Dara'a, As-Sweida, and Hama recorded a high inflation rate between 20 per cent and 25 per cent.

The Autonomous Administration (AA) areas led in monthly inflation (M-o-M) across all commodities and services in July, recording a rate of 29.6 per cent. Following closely, the Government of Syria (GoS) recorded a 19.9 per cent inflation, while the Syrian Interim Government (SIG) and the Syrian Salvation Government (SSG) recorded a 9.7 per cent inflation.

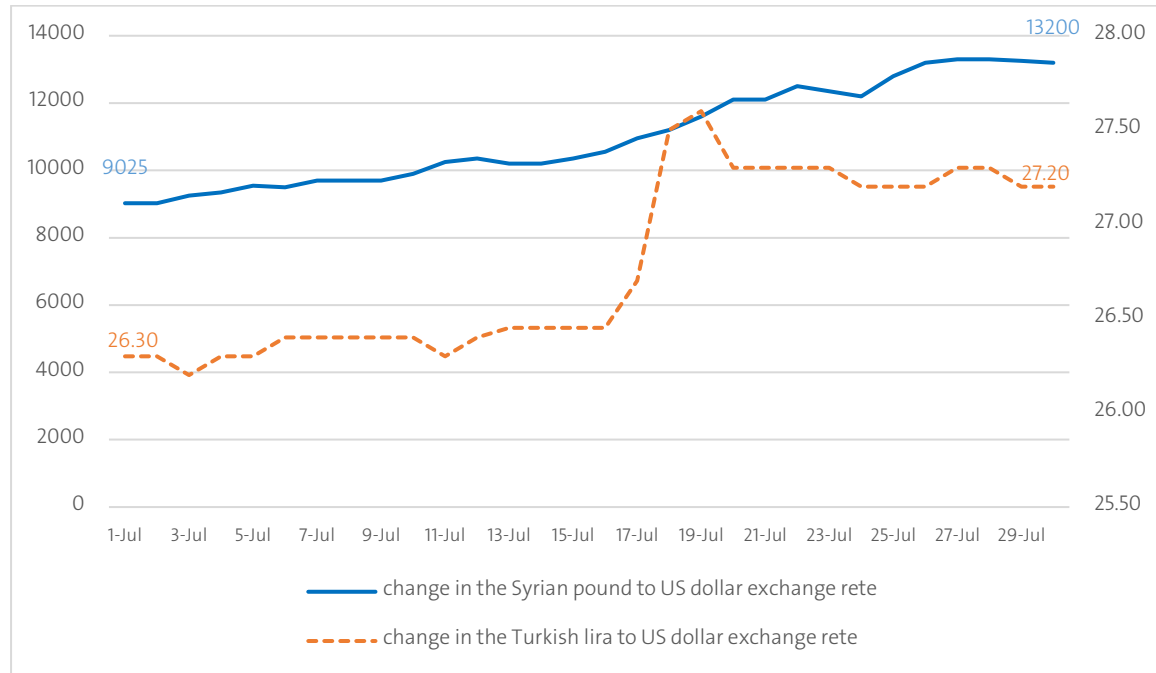
Figure (1): Monthly inflation (M-o-M) of consumer prices in Syria during July 2023 (in percentages)



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

The exchange rate of the Syrian pound (SYP) and Turkish lira (TL) to the USD fell significantly in July 2023 by 23.8 per cent and 13.1 per cent for each other (monthly average). The Syrian pound reached a value of 13200 SYP per dollar at the end of July 2023, compared with 9025 SYP per USD at the beginning. The Turkish lira amounted to TL 27.7 per dollar at the end of July 2023, compared to TL 26.3 in the first of July.

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



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

It is worth mentioning that the Central Bank of Syria raised the exchange rates of foreign currencies against the SYP in Banks' Bullituns 2023 for the third time. This decision followed the depreciation of the SYP against the USD. The exchange rate for the USD was set at SYP 8542 per dollar in the Official market foreign exchange quotations dated July 24, 2023, compared to SYP 6523 per dollar (effective since the beginning of April 2023). The new bulletin also included a new increase in the exchange rate for transfers from abroad and delivered to legal entities, raising it to SYP 8500 per dollar, as opposed to the previous rate of SYP 6500.

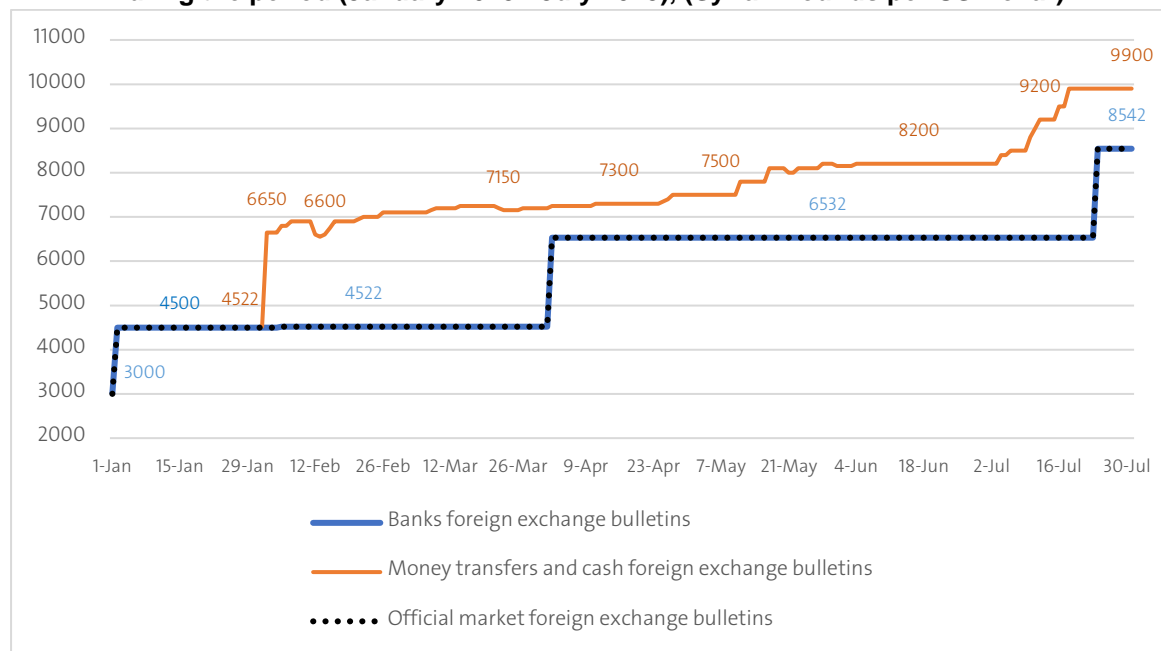
On the other hand, the Central Bank of Syria adjusted the official exchange rate for the transfers seven times during July 2023 in response to the decline in the value of the Syrian Pound against the USD in the black market. The official exchange rate for transfers increased from SYP 8200 per dollar at the beginning of July 2023 to SYP 9900 per dollar on July 18, stabilizing at this level until the end of the month².

Regarding the possession of foreign currencies and the entry and exit of Syrian Pounds and foreign currencies to and from Syria, the Monetary and Credit Council has issued a specific resolution. The resolution permits the possession of all freely convertible means

² The Money transfers and cash foreign exchange bulletin is competent to purchase foreign exchange in cash from natural persons through foreign exchange companies and banks licensed to deal with foreign exchange, purchase foreign commercial remittances, remittances received from natural persons and remittances received through global remittance networks. For details, see [Central Bank of Syria Management Committee Decision No. 144/LS of 1/2/2023](#).

of payment in foreign currencies and bank cards exclusively through banks and local exchange institutions, regardless of their value. Additionally, the resolution allows anyone entering Syria (except transit passengers) to bring in foreign cash up to 500000 US dollars, provided they declare them to the Syrian Customs Authority. The new resolution does not specify a minimum limit for amounts that can be brought into Syria without a declaration, as was the case in the previous resolution. The new resolution allows Syrian departing Syria to carry no more than 10000 US dollars without declaration, while non-Syrian departures are permitted to export an amount not exceeding 5000 US dollars or up to the declared amount upon entry into Syria.³

Figure (3): The evolution of the official exchange rate of the Syrian Pound against the USD During the period (January 2023 - July 2023), (Syrian Pounds per US Dollar)



Note: The implementation of the Money transfers and cash foreign exchange bulletins began at the beginning of February 2023, according to the resolution of the Monetary and Credit Council, Number 210/M.
 Source: Central Bank of Syria, Daily bulletins of exchange rates for banks and remittance.

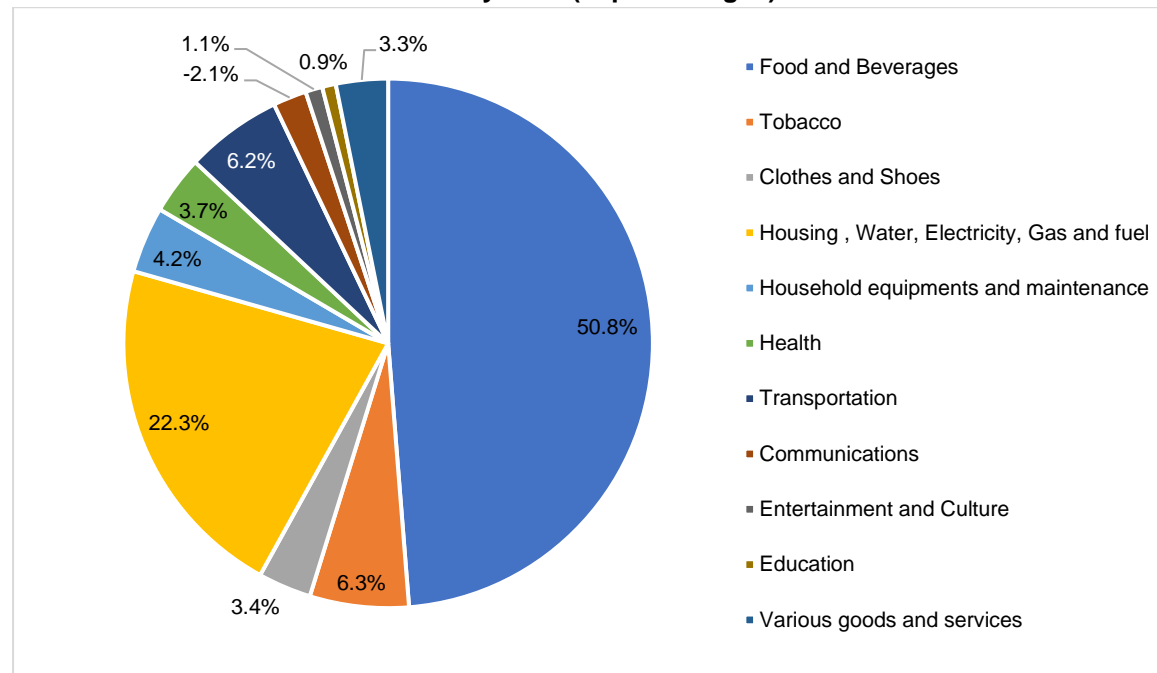
On the other hand, to confront the repercussions of the depreciation of the Turkish Lira against the US Dollar, the Ministry of Economy and Resources in the SSG in Idlib [issued a circular numbered 3669 on July 30, 2023](#), requiring dealing with the US Dollar instead of the Turkish Lira for financial transactions in the market of Idlib. The circular stipulates the obligatory use of the US Dollar in all buying and selling transactions in the market. In the case of paying directly in Turkish Lira, the price should be calculated at the upper exchange rate according to the market's approved screen, under penalty for violators.

³ For details, see [Monetary and Credit Council Decision No. 210/Dec. 22/6/2023](#).

3. Contributors to Inflation

In July 2023, the Food and non-alcoholic beverages group⁴ contributed significantly to the monthly inflation (M-o-M) with 20.5 per cent, making up 51 per cent of the total, followed by the Housing, water, electricity, gas, and other fuel oils group with a contribution of 22 per cent, trailed by the Tobacco group at 6.2 per cent.

Figure (4): Contribution of major consumption groups to the monthly inflation rate (M-o-M) for July 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 GoS areas in July 2023, contributing a substantial 56 per cent. It also likely had a noticeable effect on the monthly inflation of AA areas, contributing 43 per cent, while the contribution in the SIG and SSG areas was lower and recorded at 27.4 per cent.

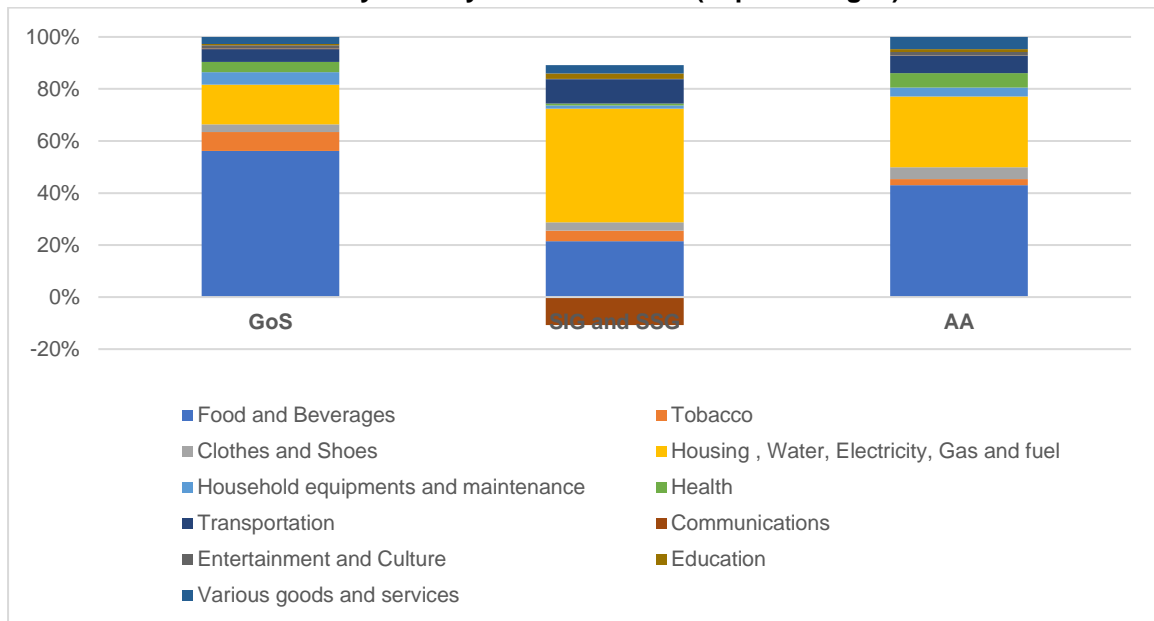
The Housing, water, electricity, gas, and other fuel oils group played a dominant role in driving the monthly inflation of the SIG and the SSG areas in July 2023, contributing a significant 55.7 per cent, attributed to the sustained surge in housing demand and the rising costs of building materials, since the earthquake that struck areas of northern Syria in February 2023. The group also contributed 27.2 per cent to the monthly inflation of AA areas and 15.2 per cent in SIG and SSG areas.

Notably, the AA raised the prices of subsidized heating diesel for households from SYP 150 to SYP 325 in the middle of July and increased the household gas cylinder price (10 kg) from SYP 7500 to SYP 10000.

The transportation group contributed to 12 per cent of the monthly inflation of the SIG and SSG areas as the bottleneck in the supply of burns continued since June, 6.6 per cent of the monthly inflation of the AA areas, and 4.9 per cent of the monthly inflation of the GoS areas.

⁴ The contribution rate to inflation means the percentage of the contribution of each consumption group to annual inflation out of 100%.

Figure (5): Contribution of major consumption groups to the monthly inflation rate (M-o-M) for July 2023 by areas of control (in percentages)



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

The Communications group contributed to reducing the monthly inflation rate in the SIG and SSG areas by 13.8 per cent, attributed to a new communication service provider in the SSG areas called "Syria Phone", recently established through a contract with a Chinese operator.⁵ The new server entered the market with competitive prices compared to the rates of the international telecommunications company "e-LUX Mobile" operating in Idleb. The call rate through the new server is approximately TL 0.4 (about SYP 65) per minute, compared to TL 2 (roughly SYP 907) per minute through the international provider. Nevertheless, call rates in Idleb province are relatively high compared to the rates in the countryside of Aleppo under the control of the Syrian Interim Government, where the minute's price is approximately TL 0.14 (roughly SYP 58) via "Turkcell".⁶ It is worth mentioning that mobile call rates in the areas under the Syrian government equal SYP 35 per minute as of July 2023.

⁵ There is no clear information about the nature of the new company or the relationship between it and the Salvation Government. The company describes itself as a leading Syrian limited liability company in the field of innovative communications and financial solutions. In 2022, it obtained a license to launch its services in northern Syria from the Public Telecommunications Establishment affiliated with the Salvation Government. For details, please refer to [the company's website](#).

⁶ Note: All the telecom providers operating in the northern and western areas of Syria do not issue a per-minute tariff similar to those in the areas controlled by the Syrian government (Syriatel, MTN). Instead, they offer comprehensive packages that include both internet and call services. Consequently, the per-minute call rate is calculated by dividing the package price by the number of minutes available in the package.

4. Wages in Syria, July 2023

In July 2023, the average monthly wage in Syria stood at approximately SYP 316 thousand for a university-educated employee in the public sector at the start of their appointment. The average wage in the private sector reached around SYP 516 thousand, while it counted in the civil sector at SYP 1.54 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 and the GoS areas. Furthermore, the wages in the public and private sectors were lower than in the civil sector, as wages in the private and public sectors were approximately 34 per cent and 21 per cent of the wages in the civil one within Syria.⁷

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

	GoS areas	SIG and SSG areas	AA areas	Whole of Syria
A- Public sector workers				
Staff wages (professor)	224,232	4,979,701	1,545,000	989,359
Staff wages (university-educated)	103,838	1,227,472	530,000	315,772
Staff wages (4th band)	95,346	860,992	520,000	261,982
B- Private sector workers				
Company director salary	1,205,000	3,631,031	1,230,000	1,494,679
Shop worker salary	379,307	1,235,749	564,333	516,327
C- Civil sector workers				
Staff wages (university-educated)	748,106	4,357,239	3,028,722	1,535,413

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.

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

The monthly inflation in July 2023 had a significant impact, leading to a decrease in the real wages of public sector workers⁸ in GoS areas by 16.6 per cent compared to June 2023. Similarly, the wages for workers in AA areas decreased by 22.8 per cent, while wages in SSG and SIG areas increased by 1.6 per cent during the month.

The purchasing power of wages for private sector workers decreased by 6.8 per cent in GoS areas and 20 per cent in AA areas. Civil sector workers were significantly affected by the inflation of July 2023 in GoS areas. The purchasing power of their wages decreased by 9.8 per cent compared to June 2023. In contrast, civil sector workers' real wages and increased due to their relation to the USD in AA, SIG and SSG areas.

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

	GoS areas	SIG and SSG areas	AA areas
Public sector workers	-16.58%	1.63%	-22.84%
Private sector workers	-6.77%	0.21%	-20.30%
Civil sector workers	-9.67%	2.63%	2.93%

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

⁷ 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.

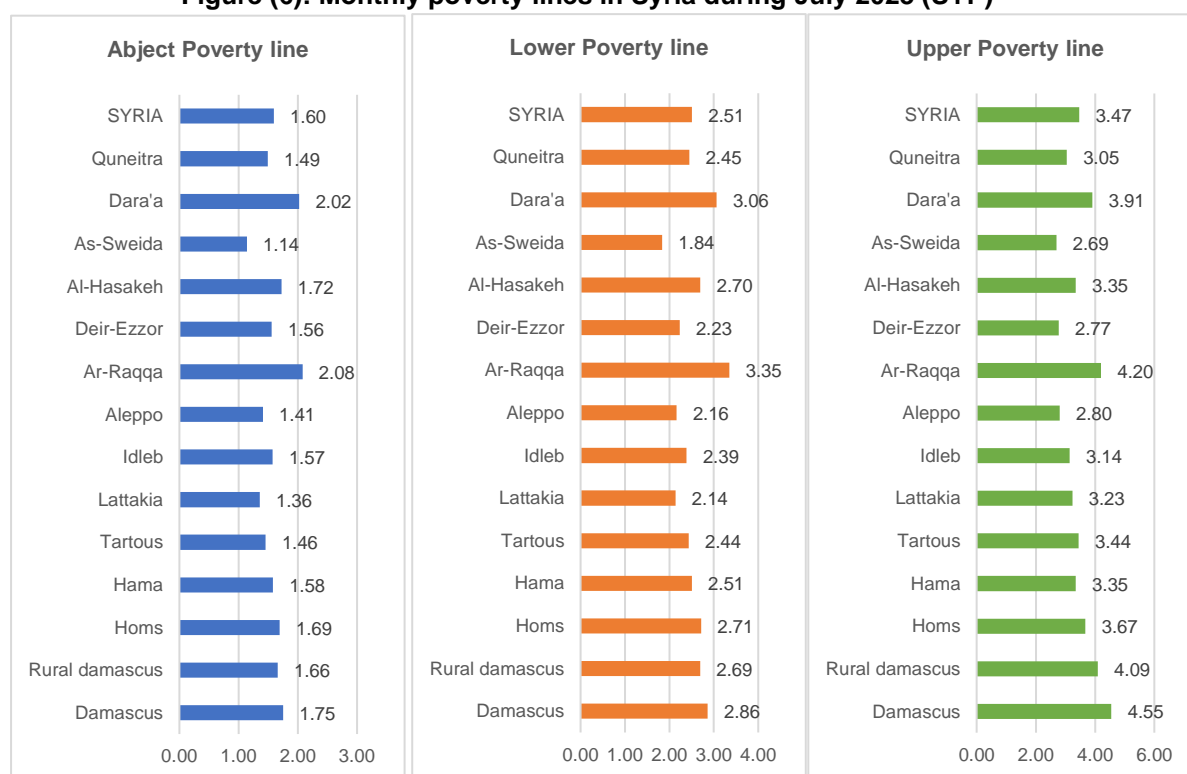
⁸ Real wages were calculated by dividing nominal wages by the CPI index. For details see: ILO. (2010). Global Wage Report 2010-2011: Wage Policies in Times of Crisis.

5. Poverty Lines in Syria, July 2023

In July 2023, the abject poverty line for families,⁹ serving as an indicator of food insecurity, rose to SYP 1.6 million per month, marking an increase of SYP 300 thousand from June 2023. The lower poverty line increased by SYP 585 thousand from the previous month to reach SYP 2.5 million, while the upper poverty line saw an SYP 654 thousand increase, reaching SYP 3.46 million. The highest values for poverty lines were recorded in the governorates of Ar-Raqqa, Dara'a, Damascus, and Rural Damascus, while As-Suwayda recorded the lowest poverty lines in July 2023.

Comparing areas of control shows that AA areas ranked the highest in the abject poverty line, which reached SYP 1.81 million, and the upper poverty line, which reached SYP 3.46 million. Following were the areas of the GoS with an abject poverty line of SYP 1.54 million and an upper poverty line exceeding SYP 3.38 million. Lastly, the SIG and the SSG areas had an abject poverty line of SYP 1.43 million and an upper poverty line above SYP 2.84 million.

Figure (6): Monthly poverty lines in Syria during July 2023 (SYP)



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

Comparing the wages in current prices and monthly poverty lines reveals that the wage gap¹⁰ increased by 80.2 per cent for a university-educated employee in the public sector, 67.6 per cent in the private sector, and 3.8 per cent for a civil sector worker from the abject poverty line within Syria in July 2023. Notably, wages of civil sector workers in the SIG, the SSG and AA areas surpassed the abject poverty line by 205 per cent and 67 per cent, respectively, whereas wages in the civil sector in the GoS areas were 52 per cent lower than the abject poverty line.

⁹ The poverty lines (abject, lower and upper) were calculated by measuring the impact of inflation on the 2009 poverty lines.

¹⁰ 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.

The wage gap from the upper poverty line was 91 per cent for a university-educated employee in the public sector, 57 per cent for a worker in the private sector, and 55.7 per cent for a worker in the civil one, highlighting the elevated poverty levels, especially among public sector workers.

Table (4): Monthly wage gap from poverty lines in Syria during July 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	-93.3%	-14.0%	-70.7%	-80.2%
Private sector worker	-75.4%	-13.4%	-68.8%	-67.6%
Civil sector worker	-51.5%	+205.3%	+67.4%	-3.8%
B- Wage gap from the lower poverty line				
University-educated employees in the public sector	-95.7%	-43.6%	-80.9%	-87.4%
Private sector worker	-84.5%	-43.2%	-79.7%	-79.4%
Civil sector worker	-69.3%	+100.4%	+9.2%	-38.8%
C- Wage gap from the upper poverty line				
University-educated employees in the public sector	-96.9%	-56.8%	-84.7%	-90.9%
Private sector worker	-64.3%	+27.8%	-64.4%	-56.9%
Civil sector worker	-77.9%	+53.3%	-12.4%	-55.7%

Note: Negative (-) indicates a 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 July 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	398	386	410	385	415	389	318	383	439	368	449	382	404	374	393
Food and non-alcoholic beverages	418	419	473	430	401	422	305	389	373	384	443	393	430	395	400
Tobacco	408	399	374	319	429	363	267	321	304	427	377	445	392	348	374
Clothing and footwear	348	381	347	414	486	458	379	382	640	439	542	503	350	361	412
Housing, water, electricity, gas, and other fuels	413	374	356	321	486	361	378	398	686	306	479	371	391	331	419
Household equipment and maintenance	545	427	472	554	412	463	240	296	425	474	616	444	527	574	431
Health	350	394	391	300	353	392	271	417	504	382	433	375	447	368	377
Transportation	342	307	393	373	347	367	369	436	415	372	539	362	382	352	381
Communications	236	238	236	235	236	239	184	272	246	239	251	230	230	230	213
Culture and entertainment	408	514	478	381	445	396	276	367	415	451	633	450	420	319	419
Education	288	266	329	280	347	313	326	289	360	259	341	269	254	227	308
Various goods and services	381	394	370	423	483	360	322	425	400	398	456	351	290	467	399

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



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