# Inflation in a Transitional Context

## Currency Issuance and Electricity Price Increases

**Monthly Bulletin for Consumer Price Index and Inflation in Syria**
**Issue (1) – January 2026**

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## Executive Summary

The inflation dynamics observed in January 2026 suggest that price pressures in Syria remain persistent, albeit partially moderated by policy interventions. The Consumer Price Index (CPI) recorded a Month on month (M-o-M) inflation rate of 0.8 per cent in January 2026 compared to December 2025, indicating continued inflationary pressures, though at a relatively lower pace. However, this overall figure conceals more complex dynamics, as the month coincided with the introduction of the new Syrian currency and the continuation of liquidity-tightening policies, which helped contain some price pressures in the short term, but at the same time deepened weak demand, disrupted cash circulation, and increased the cost of daily economic activity for households and small producers, thereby revealing the trade-offs embedded in current monetary policy.

This underlying complexity is further reflected in sectoral price movements. Sectoral distribution shows continued divergence across major consumption groups, indicating uneven transmission of inflation across the economy. Prices of food and non-alcoholic beverages increased by 3.8 per cent, furnishings, household equipment, and routine maintenance by 4.6 per cent, education and health by 0.6 per cent each, and miscellaneous goods and services by 1.8 per cent, suggesting that inflation remains concentrated in specific consumption categories rather than uniformly distributed.

The spatial distribution of inflation reinforces the role of political and institutional factors. The governorates of Ar-Raqqa, Deir-Ezzor, and Al-Hasakeh recorded relatively high inflation levels, reflecting their exposure to field developments in northeast Syria during the same period, which translated into immediate price increases within these geographies. These dynamics suggest that shifts in control or governance arrangements extend beyond their political dimension to exert direct economic effects, particularly through their impact on transport and distribution networks and pricing mechanisms. Such shocks are more severe in contexts characterized by weak safety nets and high livelihood vulnerability, where the transmission of shocks to prices accelerates and their impact on living costs intensifies.

At the market level, price behavior reveals a dual structure shaped by policy and market integration. Tradable goods in January 2026 were affected by the unification of control over border crossings and the harmonization of customs duties across most areas under the transitional government, which contributed to a relative convergence in the prices of many goods—particularly imported food items and some consumer products—across governorates such as Damascus, Homs, Hama, and Aleppo, and to some extent with Idleb and Aleppo countryside, despite the continued effect of currency differences. In contrast, non-tradable services remained more divergent, with prices determined within local markets according to income levels, demand, and population pressure, highlighting the fragmented nature of domestic service markets.

Monetary conditions further shape these dynamics. The Central Bank of Syria maintained the official exchange rate (for remittances and exchange operations) at SYP 11055 per USD for the eighth consecutive month, while noticeable fluctuations persisted in the parallel market, indicating a divergence between official and market exchange mechanisms. Despite these fluctuations, the Syrian Pound (SYP) depreciated by 0.9 per cent in January, with the average exchange rate rising to SYP 11882 compared to SYP 11773 in December, suggesting that underlying pressures on the currency remain despite nominal stabilization efforts.

From an income perspective, structural imbalances between wages and living costs remain evident. The average monthly wage of a university-educated public sector employee in Syria reached approximately SYP 1.12 million in January 2026, while the average monthly wage in the private sector stood at SYP 1.34 million, and employees in the civil sector recorded an average monthly wage of SYP 3.1 million during the same month, indicating disparities across employment categories.

However, these wage levels remain insufficient relative to the cost of living. The abject poverty line for a household at the national level reached SYP 2.91 million per month in January 2026, while the lower poverty line stood at SYP 4.59 million and the upper poverty line at SYP 6.33 million, highlighting the magnitude of the gap between income and essential needs. Poverty lines recorded their highest levels in the governorates of Damascus, Rural Damascus, Homs, and Aleppo, while As-Sweida, Lattakia, Deir-Ezzor, and Al-Hasakeh recorded the lowest poverty line values during January 2026, reflecting spatial disparities in living costs and reinforcing the uneven social impact of inflation.

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## Acronyms and Abbreviations

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

# Inflation in a Transitional Context: Currency Issuance and Electricity Price Increases

## 1. Preamble

This bulletin provides an independent assessment of consumer prices and inflation rates across all Syrian governorates, based on a monthly price survey conducted by the Syrian Center for Policy Research (SCPR) since October 2020. The assessment relies on a methodology developed by the Center to calculate the Consumer Price Index (CPI), incorporating the components of the consumer basket, weighting structure, and market selection. The bulletin is based on the monthly consumer price survey covering 58 markets and 112 goods and services across different governorates and areas of control in Syria, using 2021 as the base year (SCPR's Consumer Price Index in Syria).

This bulletin presents the results of the monthly consumer price survey, reviewing the Consumer Price Index (CPI) for January 2026 (base year 2021), disaggregated by regions and major commodity and service groups. Based on the price index, the bulletin estimates the cost of living and poverty lines at the local level across all Syrian regions.

At the beginning of 2026, the Central Bank of Syria initiated the issuance of a new Syrian currency and launched a currency replacement process[1]. This occurred in parallel with the continued adoption of liquidity-tightening policies, which had a contractionary effect on economic activity by restricting circulation and market transactions. This impact was particularly evident in key sectors, most notably agriculture and manufacturing. The effectiveness of liquidity-tightening measures and currency substitution is, however, constrained by structural distortions in the market, leading to counterproductive outcomes—namely, the suppression of productive activity rather than the enhancement of price stability. This imbalance is clearly reflected in the decline in demand for non-essential sectors, alongside the persistence of price pressures in essential goods such as food and housing. This phenomenon indicates a disruption in the transmission of monetary effects across sectors, thereby limiting the ability of monetary policy to achieve its macroeconomic objectives within a fragmented and structurally incomplete market system.

In parallel, Northeast Syria witnessed military and political shifts that culminated in changes in areas of control, including the withdrawal of the Syrian Democratic Forces from Ar-Raqqa and Deir-Ezzor, alongside the reassertion of control over economic assets, border crossings, and oil and gas fields. These developments generated immediate price shocks in local markets, particularly in Deir-Ezzor, Ar-Raqqa, and Al-Hasakeh, driven by disruptions in transport and distribution chains and the emergence of temporary displacement waves, which directly translated into higher prices for essential goods.

Collectively, these factors have reshaped the price structure, with inflation remaining primarily driven by cost factors and localized shocks. Food inflation persisted due to rising

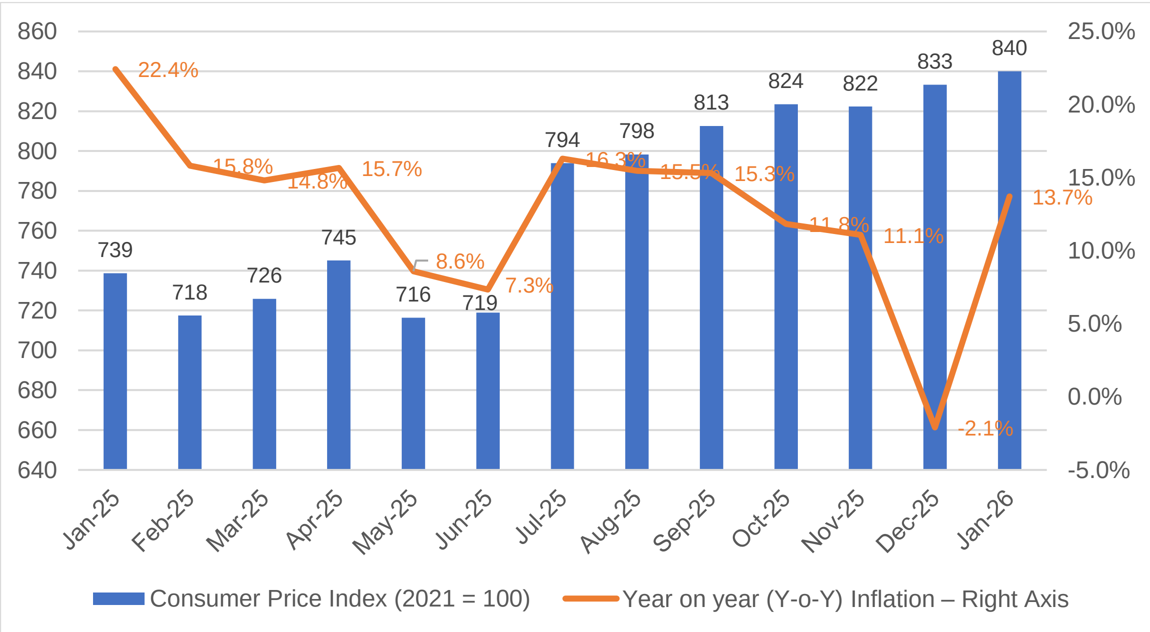
[1] The Central Bank of Syria issued instructions for currency replacement by removing two zeros (100 old = 1 new), effective from the beginning of 2026 for a period of 90 days, extendable 30 days prior to its expiry. The process includes the automatic conversion of bank balances and the temporary circulation of both currencies in parallel. The Bank confirmed that the process is free of charge and will begin with larger denominations to support monetary stability. Syrian Arab News Agency. (29 December 2025). The Central Bank issues details of the executive instructions for the new Syrian currency decree.

production costs, while other sectors experienced deflationary trends as a result of weakened demand linked to liquidity constraints. Furthermore, the repricing associated with the introduction of the new currency, alongside adjustments in contracts and nominal values, created additional space for price distortions during this transitional phase.

## 2. Annual Inflation in Syria January 2026

The Consumer Price Index (CPI) for January 2026 indicates the continued upward trajectory of prices on a Year on year (Y-o-Y) basis, with the inflation rate reaching 13.7 per cent compared to January 2025. The index increased from 739 points (base year 2021 = 100) to 840 points, reflecting a widening price gap over the course of one year. This development underscores the persistence of inflationary pressures within the structure of the Syrian economy, alongside the influence of monetary and structural factors that constrain overall price stability.

**Figure (1): Consumer Price Index (CPI) and Year on year (Y-o-Y) Inflation in Syria during the period (January 2025 – January 2026), (Base Year 2021 = 100) and (Inflation in per cent)**




Source: Syrian Center for Policy Research (SCPR) 2025 and 2026, Monthly Consumer Price Survey in Syria.

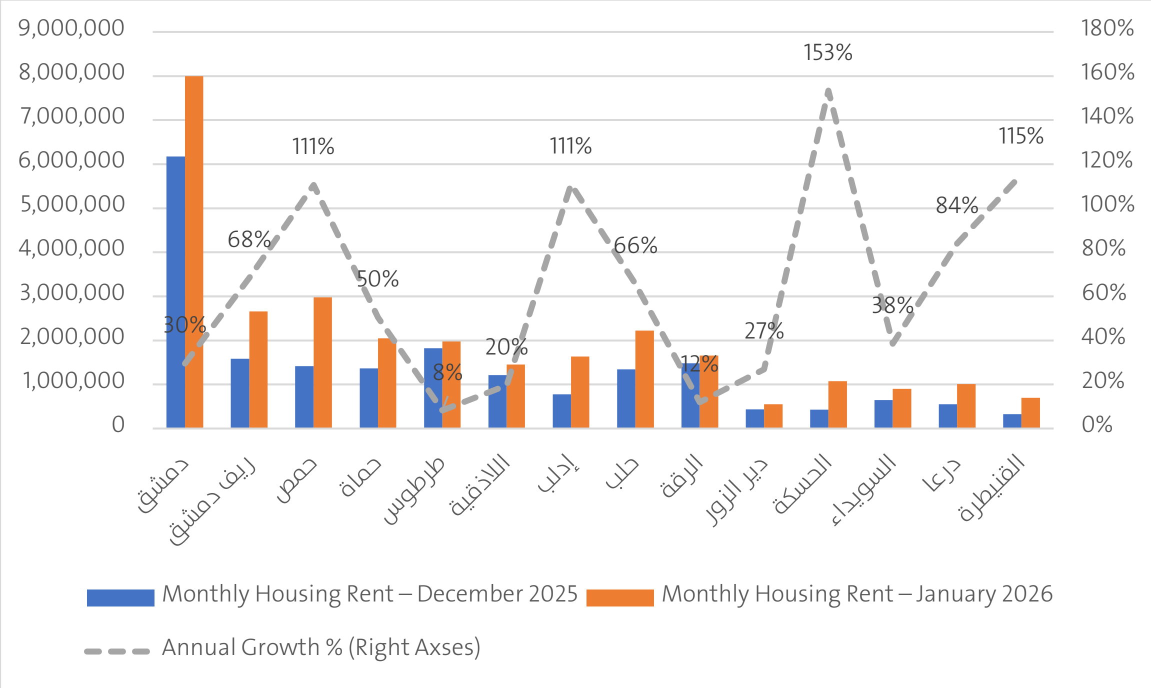
The tobacco group recorded the highest inflation rate at 41.4 per cent, reflecting underlying structural imbalances in this market. Local reports during the reference period indicate a decline or suspension in the purchase of tobacco from farmers, which weakened domestic marketing channels and led to a relative shortage in supply. At the same time, reliance on imported products increased, resulting in price distortions manifested in higher prices for locally produced tobacco compared to imported alternatives, driven by limited supply and rising production and distribution costs[2].

The housing, water, electricity, gas, and other fuels group recorded a significant Year on year (Y-o-Y) inflation rate of 18.7 per cent in January 2026 compared to the same month of the previous year. This increase was primarily driven by a sharp rise in both actual and imputed housing rents, which grew by a substantial 43 per cent. Data from the monthly

[2] Qasioun Newspaper. (18 January 2026). Syrian Tobacco: When Will the Era of Unfair Policies End?

Consumer Price Index (CPI) survey indicate that the average monthly rent for a standard dwelling (100 square meters) across Syria increased from approximately SYP 1.4 million to around SYP 2 million, placing exceptional pressure on household purchasing power (with variations across governorates as illustrated in the figure).

**Figure (2): Comparison of Monthly Housing Rent across Syrian Governorates – January 2026 (in Syrian Pound)**




Source: Syrian Center for Policy Research (SCPR) 2025 and 2026, Monthly Consumer Price Survey in Syria.

Prices of the food and non-alcoholic beverages group increased by 18.6 per cent, with varying rises across its components. Bread and cereals rose by 31 per cent, oils and fats by 22.5 per cent, fruits by 33 per cent, and legumes and vegetables by 27 per cent. In contrast, relatively lower increases were recorded in meat (8.4 per cent), milk, cheese, and eggs (10.3 per cent), and coffee, tea, and cocoa (3.2 per cent).

At the same time, the education group recorded an increase of 15.5 per cent, despite the restructuring of some educational institutions and the alignment of fees with those of public and private universities. Prices of the miscellaneous goods and services group also rose by 14.4 per cent. Meanwhile, the health group recorded a modest increase of 1.1 per cent, albeit accompanied by a decline in the quality of healthcare services, particularly in public hospitals, due to limited funding.

On the other hand, several consumption groups experienced annual declines in price levels. Prices of clothing and footwear decreased by 1.7 per cent, household furnishings and equipment by 1.5 per cent, communications by 12.3 per cent, transport by 19 per cent[3], and recreation and culture by 12.2 per cent. These declines are linked to policy-

[3] On 10 December 2024, the price of subsidized gasoline was increased to USD 1.294, then reduced to USD 1.16 on 21 December 2024. This price remained in effect throughout 2025 until it was further reduced to USD 0.85 on 12 November 2025, coinciding with an increase in electricity prices. As for diesel used for heating and transportation, its price was raised to USD 1.069 on 10 December 2024, then reduced to USD 1.028 on 21 December 2024, and subsequently lowered to USD 0.75 in November 2025. The reduction in gasoline prices contributed to a decline in both intra-city and inter-governorate transportation fares.

related factors, including the liberalization of imports for consumer goods such as clothing, household equipment, and vehicles; the reduction of customs duties on mobile phones; and the integration of new areas (Idleb and Aleppo countryside) into domestic telecommunications networks instead of relying on relatively higher-cost foreign providers (Aloox and Troox). In addition, decisions to reduce fuel prices contributed to lowering transportation costs following the price shock caused by the Syrian Interim Government (SIG) decisions to increase the prices of gasoline, diesel, gas, and bread after the fall of the regime.

**Table (1): Year on year (Y-o-Y) and Month on month (M-o-M) Inflation of Consumer Prices in Syria for January 2026 by Consumption Groups (Base Year 2021 = 100)**

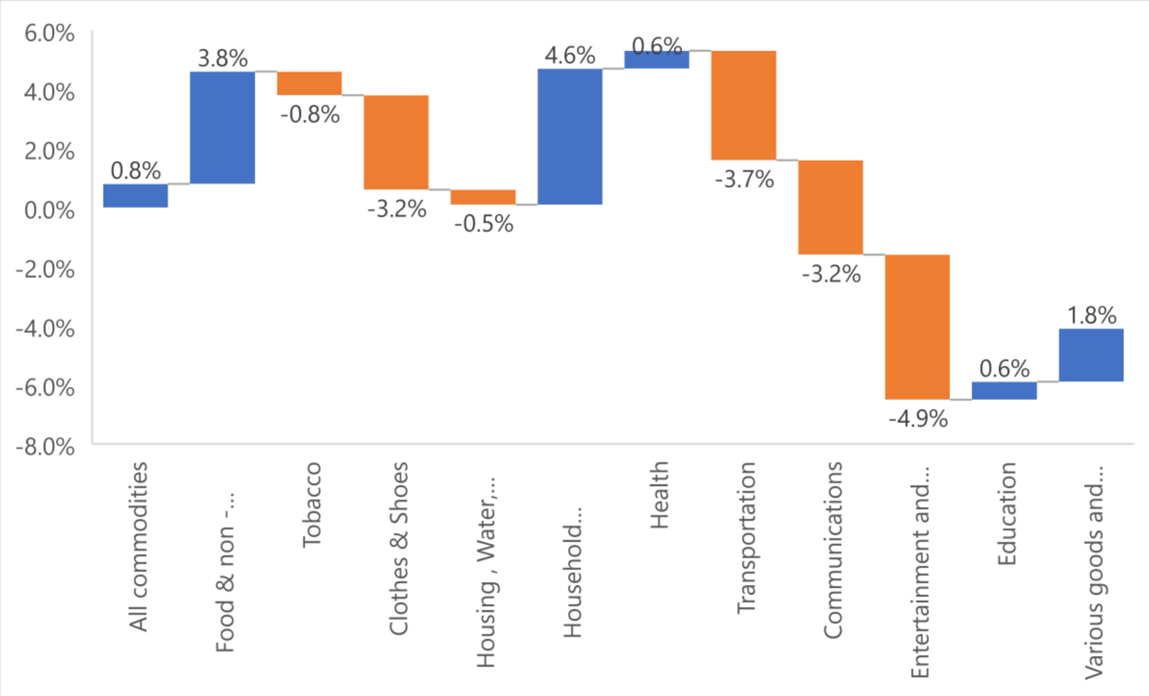
| # | Group | CPI January 2025 | CPI December 2025 | CPI January 2026 | Y-o-Y Inflation | M-o-M Inflation |
|---|---|---|---|---|---|---|
| | All commodities | **739** | **833** | **840** | **13.7%** | **0.8%** |
| 1 | Food and non-alcoholic beverages | 536 | 613 | 636 | 18.6% | 3.8% |
| 2 | Tobacco | 421 | 600 | 595 | 41.4% | -0.8% |
| 3 | Clothes and shoes | 620 | 629 | 609 | -1.7% | -3.2% |
| 4 | Housing, water, electricity, and other fuel oils | 1230 | 1,467 | 1461 | 18.7% | -0.5% |
| 5 | Household equipment, supplies, and maintenance | 522 | 492 | 514 | -1.5% | 4.6% |
| 6 | Health | 771 | 775.3 | 780 | 1.1% | 0.6% |
| 7 | Transportation | 1008 | 848 | 816 | -19.0% | -3.7% |
| 8 | Communications | 230 | 209 | 202 | -12.3% | -3.2% |
| 9 | Entertainment and culture | 517 | 477 | 454 | -12.2% | -4.9% |
| 10 | Education | 742 | 853 | 858 | 15.5% | 0.6% |
| 11+12 | Various commodities and services | 701 | 788 | 802 | 14.4% | 1.8% |

Source: Syrian Center for Policy Research (SCPR) 2025 and 2026, Monthly Consumer Price Survey in Syria.

## 3. Monthly Inflation – January 2026

The Consumer Price Index (CPI) recorded a Month on month (M-o-M) inflation rate of 0.8 per cent in January 2026 compared to December 2025, indicating the continued price pressures. The sectoral distribution shows persistent disparities, with prices of food and non-alcoholic beverages increasing by 3.8 per cent, household furnishings, equipment, and routine maintenance by 4.6 per cent, education and health by 0.6 per cent each, and miscellaneous goods and services by 1.8 per cent.

**Figure (3): Month on month (M-o-M) Inflation of Consumer Prices in Syria by Consumption Groups – January 2026 (in per cent)**




Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

In contrast, several consumption groups recorded monthly declines. Prices of recreation and culture decreased by 4.9 per cent, Clothing and Footwear by 3.2 per cent, transport by 3.7 per cent, Tobacco by 0.8 per cent, Communications by 3.2 per cent, and Housing, water, electricity, gas, and other fuels by 0.5 per cent. This reflects the continued divergence in short-term price dynamics across consumption groups.

### 3.1. Month on month (M-o-M) Inflation by Consumption Groups

This section presents the developments in monthly inflation in Syria during January 2026 by major consumption groups, with the aim of highlighting variations in price movements across goods and services. The data indicate a concentration of inflationary pressures in certain groups, particularly essential goods such as food, alongside the influence of factors such as energy costs and fuel price fluctuations on other groups. This classification provides a clearer picture of the sources of inflation and how these changes are reflected in household expenditure patterns and living standards.

#### 3.1.1. Food and Non-Alcoholic Beverages Group

The Syrian economic landscape in January 2026 witnessed a notable increase in inflation rates associated with the food and non-alcoholic beverages sector, which recorded a Month on month (M-o-M) price increase of 3.8 per cent compared to December of the previous year. This rise reflects the depth of inflationary pressures that continue to weigh on consumers' purchasing power and directly affect the stability of the basic food basket.

A review of the subcomponents of this group reveals sharp disparities in price increases. The legumes and vegetables group accounted for the largest share of this inflationary wave, with an exceptional increase of 13.2 per cent. This surge was clearly reflected in the prices of key commodities: the price of one kilogram of split lentils increased from SYP 13600 to SYP 14300, while dry beans rose by approximately SYP 1000 to reach SYP 17900. Tomato prices increased from SYP 7700 to SYP 9400, while eggplant recorded a sharp increase exceeding 30 per cent, rising from SYP 6400 to SYP 8500.

Similarly, the fruit group recorded a monthly inflation rate of 4.3 per cent, driven by increases in the prices of oranges and apples, which reached SYP 10400 and SYP 15400 respectively. The meat sector maintained an upward trend with an increase of 3.6 per cent, pushing lamb prices to critical levels of SYP 150000 per kilogram, while chicken reached SYP 29400.

These pressures were not limited to complementary goods but extended to the bread and cereals group, which grew by 3.2 per cent. This had a direct impact on daily living costs, with the price of subsidized "touristic" bread stabilizing at SYP 8,660, bulgur at SYP 9,900, and short-grain rice and pasta ranging between SYP 11700 and SYP 12000.

These figures clearly indicate that the drivers of inflation during the observed period were concentrated in widely consumed and essential goods, placing increasing structural pressure on food security for Syrian households and reducing the financial margins available for spending on other vital sectors.

#### 3.1.2. Household Furnishings Group

Statistical data for January 2026 indicate that the inflationary wave extended to the household furnishings group, which recorded a Month on month (M-o-M) inflation rate of 4.6 per cent. This increase reflects significant additional costs on the capital expenditure side of household spending, particularly in light of the variation in price growth across the subcomponents of this sector.

The analysis shows that prices in the furniture, furnishings, and carpets subgroup increased by 2.1 per cent, with the cost of a large bedroom set reaching approximately

SYP 10.5 million, while carpet prices stabilized at around SYP 148,000 per square meter. In contrast, goods used for household maintenance recorded the highest increase within this sector, at 8.5 per cent, clearly reflected in the prices of related consumer items, such as Aleppo soap, which reached SYP 38,000 per kilogram.

As for household appliances, prices remained relatively stable during this period. Cooking appliances (a four-burner stove without an oven compartment) stabilized at approximately SYP 2.5 million, while the price of a standard 18-foot refrigerator reached around SYP 5 million.

This relative stability in electrical appliance prices, despite the overall increase in the household furnishings sector, suggests a contraction in demand for durable goods, as purchasing power is increasingly directed toward essential food needs and necessary maintenance expenditures.

### 3.1.3. Miscellaneous Goods and Services Group

The miscellaneous goods and services group recorded a price increase of 1.8 per cent in January 2026. This group is particularly significant as it includes personal care and unclassified professional services, which are closely influenced by changes in energy costs.

The analytical reading of price dynamics in January 2026 shows that the sharp increase in electricity tariffs constituted the primary structural driver behind the surge in service costs. This price shock became clearly evident after 15 January 2026, coinciding with the issuance of the first billing cycle under the new tariff scheme. Consumption bills recorded exceptional and unprecedented increases, with household electricity bills rising from SYP 35600 in the previous cycle to more than SYP 1860000 in the current cycle (an increase of 5,125 per cent)[4].

This massive increase triggered an immediate market response. Some households refrained from paying their bills due to affordability constraints, while service providers quickly adjusted their pricing lists to absorb rising operating costs. In this context, personal care services recorded new elevated price levels of at least 50 per cent. Men's haircuts (hair and beard) reached approximately SYP 31000, up from around SYP 22000, while women's hairdressing and styling services increased to around SYP 45000 from approximately SYP 30000.

The inflationary impact extended to clothing care services, with the cost of washing and ironing a formal shirt rising to SYP 15000, compared to around SYP 8000 previously. It also affected professional and advisory services, which do not traditionally rely heavily on energy consumption, as the cost of a written legal consultation reached approximately SYP 125000, up from around SYP 50000.

[4] Assuming a household monthly consumption of 750 kilowatt-hours (kWh).

### 3.1.4. Education and Health Groups

The education and health groups each recorded a monthly inflation rate of 0.6 per cent in January 2026, with this increase also directly linked to rising energy prices that have affected the operating costs of educational and medical facilities.

In higher education, a fundamental shift in pricing policy emerged following a decision by the Transitional Government to unify tuition fees across public and private universities in all regions. This resulted in a historic reduction in public university fees in northwest Syria, from levels ranging between USD 150–300 to symbolic fees not exceeding SYP 60,000[5]. In parallel, private university fees were regulated, with the cost per credit hour set at USD 45 for medical specializations and between USD 20 and USD 25 for theoretical disciplines[6].

At the pre-university level, private school fees remain largely unregulated and exhibit monopolistic tendencies, operating beyond effective ministerial oversight. Registration fees for secondary school students (scientific stream) reached approximately SYP 8 million annually, excluding transportation and supplies. Similarly, the private tutoring sector continues to place a significant burden on household budgets, with the average cost per tutoring hour reaching approximately SYP 50000, effectively acting as a compensatory mechanism for gaps in formal education.

In the health sector, field observations reveal disparities in consultation fees, with the average cost reaching SYP 85000 for a specialist and SYP 50000 for a general practitioner. The cost of comprehensive dental treatment (including drilling, root canal, and filling) reached approximately SYP 350000. Private hospitalization costs also increased significantly, with the cost of a single night's stay reaching around SYP 600000 (excluding medication). This occurred alongside rising prices of essential pharmaceutical goods, such as paracetamol (SYP 4000 per pack) and antibiotics (SYP 15000), highlighting the scale of challenges facing access to healthcare under current economic conditions.

### 3.1.5. Transport Group

In contrast to the prevailing inflationary trend, the transport group recorded a notable price decline of 3.7 per cent in January 2026. This decrease is primarily attributed to lower prices of petroleum derivatives subsidized in Syrian Pound (SYP), despite rising price pressures in the used car market. Vehicle prices increased following the enforcement of a Ministry of Economy and Industry decision prohibiting the import of cars older than three years, after the expiration of the exceptional grace period granted to traders to regularize non-compliant vehicles before the end of 2025.

The appreciation of the Syrian Pound (SYP) against the USD played a key role in reducing locally priced fuel costs. The average price of subsidized gasoline declined to SYP 9400 (compared to SYP 10400), while subsidized diesel decreased to SYP 8000. This monetary and commodity adjustment was directly reflected in transportation costs, with the average taxi fare (for a 3 km distance) declining to SYP 20000, while inter-governorate transport costs stabilized at approximately SYP 350 per kilometer.

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[5] Ministry of Higher Education and Scientific Research. Decision on the Unification of University Tuition Fees for the 2025–2026 Academic Year.

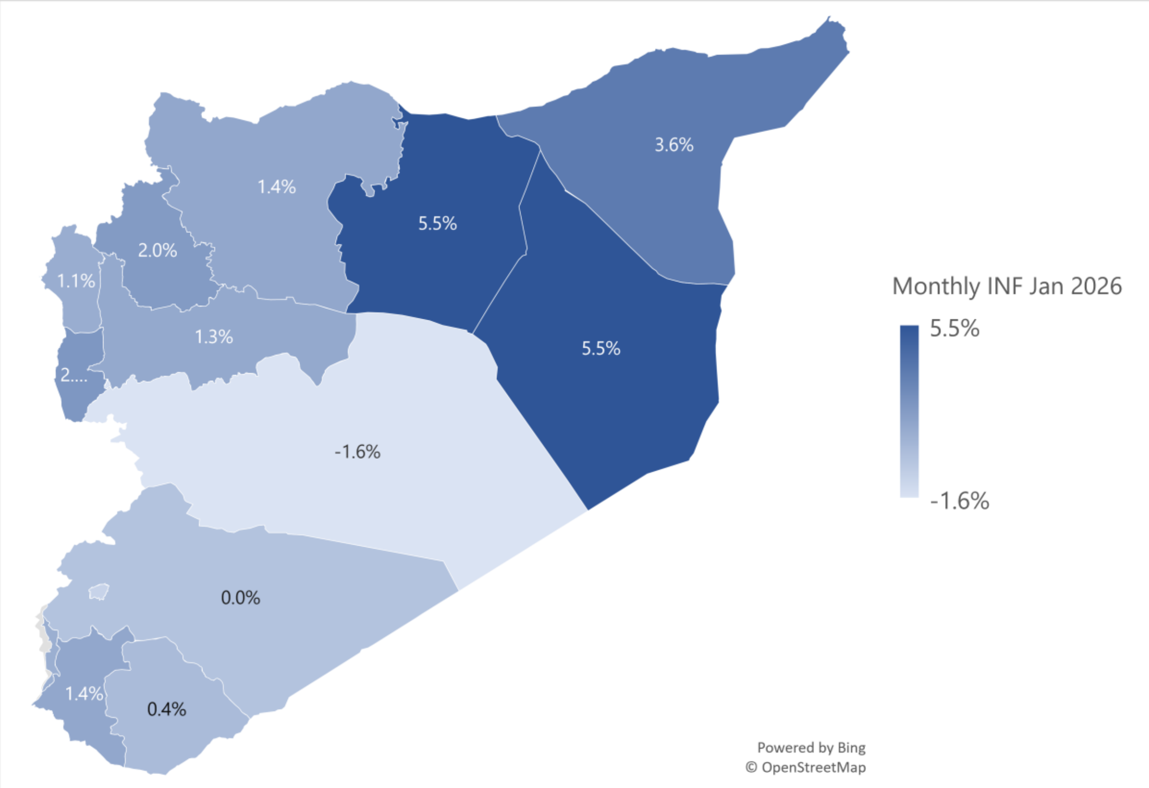
[6] Syrian Arab News Agency. (2 October 2025). Syrian Higher Education Announces New Tuition Fees in Private Universities.

### 3.2. Inflation by Governorate

The inflation map at the governorate level for January 2026 reflects clear spatial disparities in Month on month (M-o-M) inflation rates, with some areas recording exceptionally high increases compared to relatively more stable trends in other governorates. Ar-Raqqa, Deir-Ezzor, and Al-Hasakeh recorded relatively elevated inflation levels, in the context of being affected by field developments in northeast Syria during the same period. These developments translated into immediate price increases within these geographies.

These dynamics indicate that shifts in control or governance structures extend beyond their political dimension to exert direct economic effects, particularly through their impact on transportation and distribution networks as well as pricing mechanisms. The intensity of these shocks is further amplified in environments characterized by weak safety nets and high livelihood vulnerability, where the transmission of shocks to prices accelerates and their impact on the cost of living becomes more pronounced.

**Figure (4): Month on month (M-o-M) Inflation of Consumer Prices by Governorate in Syria – January 2026 (in per cent)**




Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

Conversely, some governorates experienced price deflation, including Damascus at (–0.8 per cent) and Homs at (–1.6 per cent), while others recorded relatively low inflation rates, such as Lattakia at 1.1 per cent, As-Sweida at 0.4 per cent, Hama at 1.3 per cent, Quneitra at 1 per cent, and both Tartous and Aleppo at 1.4 per cent each.

Inflation dynamics in north-eastern Syria followed an upward trajectory closely linked to the prevailing field context. The governorates of Ar-Raqqa and Deir-Ezzor recorded relatively high inflation rates of 5.5 per cent, while Al-Hasakeh registered a month on month (M-o-M) inflation rate of 3.6 per cent. This increase is attributed to military developments in the region during the same period, as operations launched in Aleppo, Ar-Raqqa, and Deir-Ezzor coincided with withdrawals of the Syrian Democratic Forces (SDF) from several areas, followed by the announcement of ceasefire agreements and the consolidation of government control in Ar-Raqqa and Deir-Ezzor on 19 January. These developments translated directly into immediate price increases, driven by disruptions to supply chains, rising transportation costs, and heightened uncertainty in local markets.

Within this context, the food sector emerged as a key driver of inflation, with significant price increases, particularly in Ar-Raqqa (14.0 per cent) and Deir-Ezzor (10.2 per cent), compared to Al-Hasakeh (5.4 per cent). The bread and cereals category was the most affected, recording sharp increases of 42.3 per cent in Ar-Raqqa and 22.9 per cent in Deir-Ezzor.

The housing, water, electricity, gas, and other fuels group was directly affected by the nature of the field shock, with clear variation across governorates reflecting differences in control patterns and service stability. Ar-Raqqa recorded a notable deflation (-4.8 per cent), driven by declining housing rents and reduced availability of water and related services due to temporary population displacement. Deir-Ezzor experienced a milder deflation (-1.2 per cent), with relatively stable rents and slight increases in maintenance costs. In contrast, Al-Hasakeh recorded a modest upward trend (0.6 per cent), with increases in maintenance and rental costs reflecting continued demand for housing and services.

Meanwhile, the electricity and gas component exhibited sharp divergence, increasing in Ar-Raqqa (7.8 per cent) due to supply disruptions and higher operating costs, while declining in Deir-Ezzor and remaining relatively stable in Al-Hasakeh. This pattern suggests that shocks in this sector are not uniform but are shaped by the interaction between supply-side factors (fuel availability and infrastructure) and demographic and security changes, making it one of the most sensitive sectors to field-level fluctuations.

## 4. Price Variance across Governorates and Monetary Spaces

Data for January 2026 reflect clear price disparities across Syrian governorates, with localized price shocks emerging in certain areas alongside differences in how commodity and service groups respond to regulatory and trade-related factors. A general reading suggests that this variation is not evenly distributed between goods and services but rather follows distinct patterns depending on market structures and pricing mechanisms.

In this context, tradable goods tend to exhibit relatively lower levels of variation across governorates, as they have been influenced during this period by the unification of control over border crossings and the harmonization of customs duties across most areas under Transitional Government control. This has contributed to a relative convergence in the prices of many goods—particularly imported food items and certain consumer products—across governorates such as Damascus, Homs, Hama, and Aleppo, and to some extent with Idleb and Aleppo countryside, despite the continued effect of currency differences. In contrast, non-tradable services remain more heterogeneous, with prices determined within local markets based on income levels, demand, and population pressure. This explains the noticeable differences in housing rents, personal care services, and non-university education costs, which tend to be higher in Damascus, Rural Damascus, and other major urban centers compared to other governorates.

Within this broader framework, variation in the transport group is reflected in fuel prices and transportation costs. Al-Hasakeh recorded a temporary increase in gasoline prices during the month due to military disruptions in the region, although prices generally remain relatively lower under normal conditions due to subsidy policies. In contrast, prices in Idleb and Aleppo countryside are determined by the Turkish Lira (TL) and import costs, while other governorates record relatively higher levels within a pricing environment that tends toward energy price liberalization. Meanwhile, Deir-Ezzor and Ar-Raqqa experienced price shocks during the month, reflected in increased transportation costs due to disruptions in supply chains.

In the household furnishings group, prices of durable goods such as refrigerators and washing machines vary across governorates. In Idleb and Aleppo countryside, prices are closely linked to the Turkish market, while in Al-Hasakeh they are influenced by United States Dollar (USD)-based pricing. In Damascus, Lattakia, and Tartous, prices are shaped within multi-layered local distribution networks. During this month, Deir-Ezzor and Ar-Raqqa recorded relatively higher price levels for some durable goods due to reduced supply and delays in the adjustment of supply channels to new administrative conditions.

In the food group, prices vary according to production and consumption locations. Coastal governorates such as Lattakia and Tartous recorded relatively lower prices for certain vegetables, compared to higher levels in Damascus and Rural Damascus. Differences are also evident in the prices of lamb and chicken between Aleppo, Homs, and Hama and those in eastern governorates, with Deir-Ezzor and Ar-Raqqa recording noticeable increases during the month due to supply disruptions.

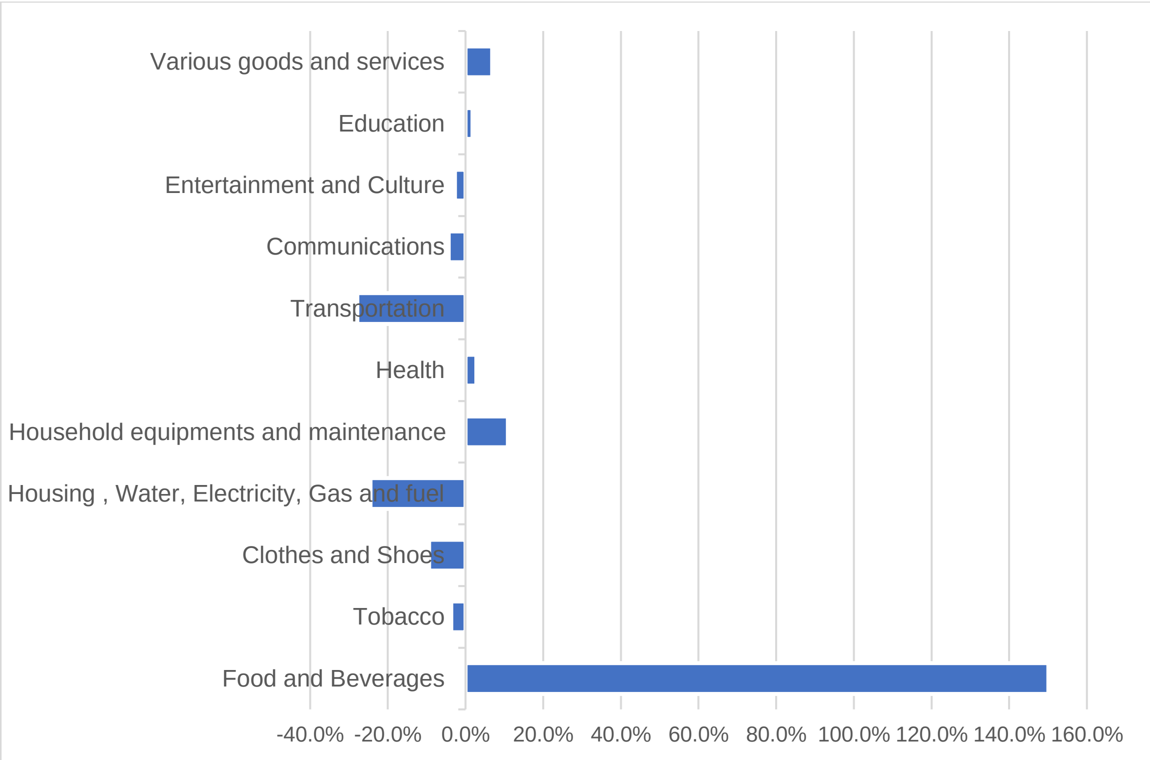
Turning to non-tradable services, sharper disparities emerge despite partial regulatory interventions. The Transitional Government moved to unify university tuition fees across areas under its control, including TL-based regions such as Idleb and Aleppo countryside. Additionally, the telecommunications sector was unified several months prior to the reference period, with the entry of Syriatel and MTN networks into northwest Syria and the adoption of relatively lower pricing compared to international providers (Aloox and Trooxel). Nevertheless, these interventions have had limited impact on the broader service sector, where prices for other local services continue to vary significantly across governorates.

These patterns indicate that price disparities during this period reflect a relatively greater convergence in tradable goods prices, contrasted with continued and more pronounced divergence in local services, within a fragmented market structure where pricing frameworks remain locally determined and vary from one governorate to another.

## 5. Contributors to Inflation

Analytical data on the Consumer Price Index (CPI) for January 2026 indicate the dominance of the basic needs sector in shaping the inflationary landscape in Syria. The food and non-alcoholic beverages group emerged as the primary driver of inflation at the national level, with a relative contribution of 150 per cent. The furnishings, household equipment and routine maintenance group ranked second, contributing 11 per cent. In contrast, the transport group had the largest mitigating effect on inflation during the month, with a contribution of (–28 per cent), followed by the housing, water, electricity, gas and other fuels group, which contributed (–24.5 per cent).

**Figure (5): Contribution of Major Consumption Groups to Month on month (M-o-M) Inflation Rate – January 2026 (in per cent)**




Source: Syrian Center for Policy Research (2026), Monthly Consumer Price Survey in Syria.

Analytical reading of the statistical data for January 2026 indicates that the overall national inflation rate of approximately 0.9 per cent conceals significant spatial disparities, reflecting structural fragmentation within the local economy. While Damascus and Idleb experienced deflationary trends, Ar-Raqqa, Deir-Ezzor, and Al-Hasakeh emerged as high-inflation hotspots, directly affected by security and field-related shocks. These shocks disrupted supply chains and sharply increased transportation and logistics costs, resulting in heterogeneous pricing patterns shaped by shifts in control and territorial influence.

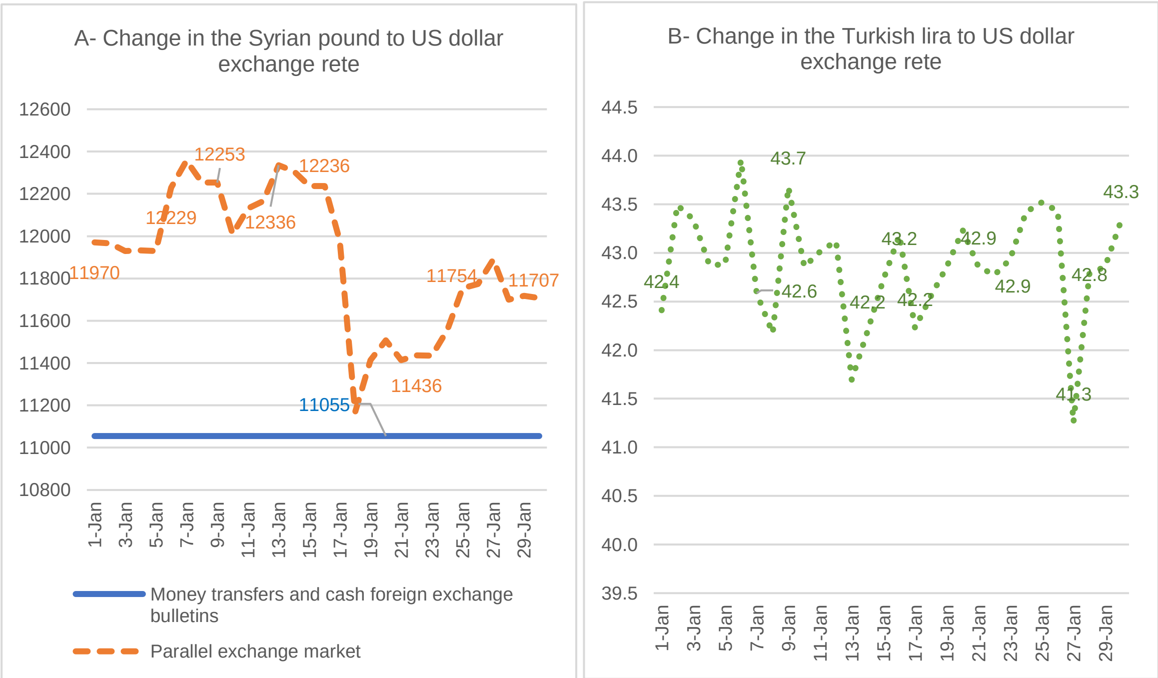
At the level of sectoral and monetary contribution structures, inflation in Syria appears increasingly as the outcome of the interaction between three distinct economic systems. Idleb and Aleppo countryside are closely linked to Turkish pricing cycles due to the use of the Turkish Lira (TL) as a medium of exchange, while Al-Hasakeh is influenced by localized subsidy policies that balance commodity groups and mitigate fluctuations in food and energy prices. In contrast, the food and non-alcoholic beverages group remains the primary driver of inflation in Syrian Pound (SYP)-based areas, particularly in Ar-Raqqa and Deir-Ezzor, where it accounted for the entirety of the recorded inflationary contribution. This underscores the fragility of food security systems in these regions and their high sensitivity to short-term shocks in the absence of effective price intervention policies.

## 6. Exchange Rate Changes

The Central Bank of Syria maintained the official exchange rate (for remittances and currency exchange) at SYP 11055 per United States Dollar (USD) for the eighth consecutive month, while the parallel market exhibited notable fluctuations, ranging between SYP 11168 and SYP 12375 per USD. Despite these variations, the Syrian Pound (SYP) recorded a depreciation of 0.9 per cent during January, as the average exchange rate increased to SYP 11882 compared to SYP 11773 in December.

The informal market remains the most accurate indicator of the currency's value, a benchmark implicitly adopted by the government through the pricing of petroleum derivatives (diesel, gasoline, and gas) at levels close to parallel market rates rather than the official exchange rate.

**Figure (6): Exchange rate changes of the Syrian Pound and Turkish Lira against the United States Dollar during January 2026**




Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

As for the Turkish Lira (TL), data indicate a fluctuating exchange rate trend during January 2026, reflecting a continued weakening in its value. The exchange rate depreciated from approximately 42.4 TL per United States Dollar (USD) at the beginning of the month to around 43.3 TL per USD by the end of the month.

## 7. Wages in Syria, January 2026

The average monthly salary of a public sector university employee (at entry level) in Syria reached approximately SYP 1.12 million in January 2026. In comparison, the average monthly wage for a private sector worker stood at SYP 1.34 million, while civil sector employees recorded a higher average of SYP 3.1 million during the same month.

A comparison of nominal wages (at current prices) across Syrian regions reveals a sharp structural disparity, manifested in a significant gap between areas operating with the Turkish Lira (TL) and those relying on the Syrian Pound (SYP) within the scope of Transitional Government control. These differences are largely driven by factors unrelated to labor productivity, thereby reinforcing economic and geographical segmentation among the population. Variations across sectors are also evident, with both public and private sector wages remaining noticeably lower compared to the civil sector[7]. In this context, unskilled labor (daily wage workers) remains the most vulnerable group to economic pressures across all regions and governorates.

**Table (2): Average Monthly Wages in Syria during January 2026 (in Syrian Pounds)**

| | Former Regime areas | Former SIG and SSG areas | AA areas (Al-Hasakeh) | Whole of Syria |
|---|---|---|---|---|
| **A- Public sector workers** | | | | |
| Employee Wage (University Professor) | 3030000 | 5935767 | 3090000 | **3366958** |
| Employee Wage (University Grad) | 935000 | 2268674 | 1060000 | **1120400** |
| Employee Wage (Basic education) | 859000 | 1304558 | 1040000 | **930674** |
| **B- Private sector workers** | | | | |
| Company Manager Wage | 4164181 | 6481650 | 4180000 | **4509055** |
| Shop Worker Wage | 1296738 | 1730776 | 1240000 | **1342941** |
| **C- Civil sector workers** | | | | |
| Employee Wage (University Grad) | 2788595 | 5328404 | 2880000 | **3103393** |

Note: Wages of workers in former Salvation Government areas are set in US Dollars or their equivalent in Turkish Lira, and workers in former Interim Government areas receive their wages in Turkish Lira. Wage values in this table have been converted to Syrian Pounds for comparison with the rest of the regions.

Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

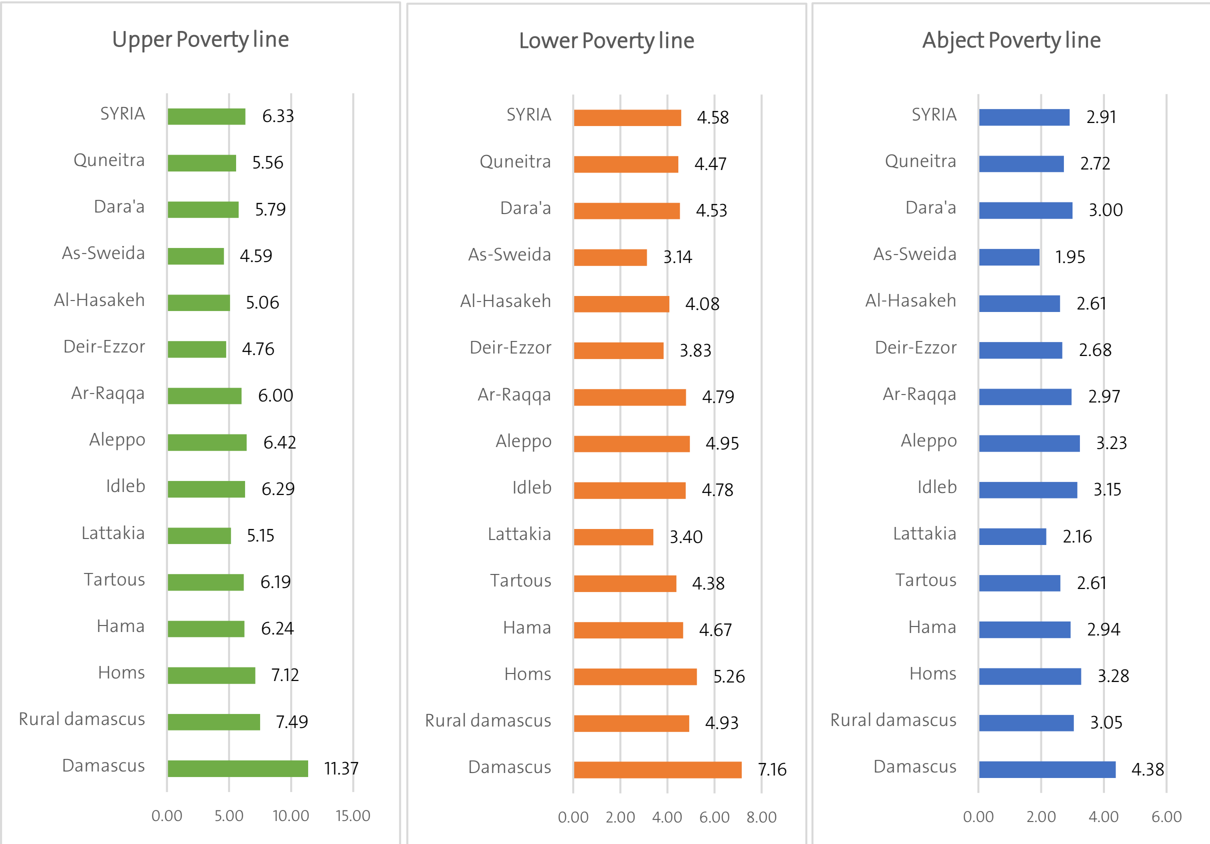
[7] It should be noted that wages of civil sector employees in areas formerly under the control of the Government of Syrian regime (GoS), despite being relatively higher than those in the public and private sectors, remain significantly low at the regional level. They amount to only 97 per cent of their counterparts in Autonomous Administration (AA) areas and 52 per cent of those in Transitional Government Areas operating with the Turkish Lira (TL-GA), as of January 2026.

## 8. Poverty Lines in Syria, January 2026

The abject poverty line for a household[8] (as an indicator of food deprivation) at the national level in Syria reached SYP 2.91 million per month in January 2026. The lower poverty line stood at SYP 4.58 million, while the upper poverty line reached SYP 6.33 million.

Poverty lines recorded their highest levels in the governorates of Damascus, Rural Damascus, Homs, and Aleppo, while the lowest values were observed in As-Sweida, Lattakia, Deir-Ezzor, and Al-Hasakeh during January 2026.

**Figure (7): Monthly Poverty Lines in Syria during January 2026 (SYP million)**




Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

The analysis of wage coverage ratios relative to poverty lines in Syria reveals a profound structural crisis in income adequacy, particularly within the public and private sectors. At the national level, the overall average indicates a severe shortfall: the wages of public sector university employees cover less than 62 per cent of the abject poverty line, and this gap widens to more than 82 per cent when compared to the upper poverty line. Similarly, private sector wages cover less than 54 per cent of the abject poverty line and approximately 80 per cent of the upper poverty line.

The most acute crisis is concentrated in the public sector, where the average monthly wage covers only 38.5 per cent of the abject poverty line, underscoring the near-total erosion of the real value of public wages. With respect to the upper poverty line, all employment categories fall below it, implying that the majority of Syrian households live

[8] Poverty lines (abject, lower, and upper) were calculated by measuring the effect of inflation on the 2009 poverty lines.

under conditions of abject poverty, unable to meet basic necessities alongside essential needs such as education and healthcare.

In contrast, the civil sector (linked to non-governmental organizations and external funding) demonstrates relatively stronger resilience, with wages covering 106.5 per cent of the abject poverty line. This indicates that access to external funding constitutes a key determinant of economic survival in the Syrian context.

**Table (3): Coverage of Average Monthly Wages for Poverty Lines in Syria during January 2026 (in per cent)**

| | Former Regime areas | Former SIG and SSG areas | AA areas (Al-Hasakeh) | Whole of Syria |
|---|---|---|---|---|
| **A- Wage Coverage of Abject Poverty Line** | | | | |
| Public Employee (Uni Grad) | 33.1 | 71.4 | 36.5 | **38.5** |
| Private Sector Worker | 45.9 | 54.5 | 42.7 | **46.1** |
| Civil Sector Employee | 98.7 | 167.7 | 99.1 | **106.5** |
| **B- Wage Coverage of Lower Poverty Line** | | | | |
| Public Employee (Uni Grad) | 20.9 | 46.9 | 23.8 | **24.4** |
| Private Sector Worker | 29.0 | 35.8 | 27.8 | **29.3** |
| Civil Sector Employee | 62.5 | 110.1 | 64.6 | **67.7** |
| **C- Wage Coverage of Upper Poverty Line** | | | | |
| Public Employee (Uni Grad) | 15.1 | 35.9 | 19.1 | **17.7** |
| Private Sector Worker | 21.0 | 27.4 | 22.3 | **21.2** |
| Civil Sector Employee | 45.1 | 84.2 | 51.9 | **49.1** |

Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

## 9. Conclusion

The price dynamics observed in January 2026 indicate that inflationary pressures were shaped by a combination of monetary, political, and structural factors. Prices were affected by the introduction of the new Syrian currency in January 2026, the continued implementation of liquidity-tightening policies, and the political and military shifts in Northeast Syria, which resulted in an inflationary shock in the governorates of Ar-Raqqa, Deir-Ezzor ،and Al-Hasakeh, suggesting that both policy decisions and territorial changes are directly influencing price formation.

This inflationary pattern is particularly evident in the behavior of service prices. The upward trend in service prices continued markedly in January 2026, particularly with the issuance of electricity bills for the final cycle of 2025, indicating that energy pricing is acting as a key transmission channel for inflation. This led to increases in housing rents, as well as in health, education, cleaning, and personal care services, reflecting the cascading effects of cost increases across essential service sectors.

At the same time, price behavior reveals a dual structure within the market. On another front, price variance in January 2026 reflects greater relative convergence in tradable goods prices, contrasted with continued and more pronounced divergence in local services, highlighting the differentiated impact of inflation across sectors. This occurs within a fragmented market structure, where prices are determined within localized frameworks that vary from one governorate to another, suggesting that institutional and geographic fragmentation continues to shape pricing mechanisms.

These dynamics ultimately point to deeper structural imbalances in the economy. In conclusion, the indicators reveal a critical imbalance in the income structure, indicating that inflation is closely linked to income inequality. Wage levels in both the public and private sectors remained below poverty lines, reflecting a deep erosion in the real value of wages and a widening gap between purchasing power and the cost of essential living, thereby limiting households' ability to cope with rising prices.

Addressing these challenges requires a recalibration of policy priorities. This phase requires a more balanced policy approach between price stabilization and ensuring the liquidity necessary for economic activity, highlighting the need to move beyond narrowly focused monetary interventions. The first priority is a managed and gradual liquidity expansion, ensuring the payment of wages, the settlement of dues owed to depositors and traders, and the protection of working capital in agriculture, industry, and small-scale trade, in order to sustain economic activity. The second priority is to monitor the pricing effects of currency substitution and prevent the exploitation of monetary rounding or cash shortages as a means of increasing prices, thereby limiting opportunistic price-setting behavior. The third priority is to link monetary policy with income and social protection policies, as currency stabilization without protecting wages and production may improve nominal monetary indicators but would exacerbate poverty and economic stagnation, reinforcing the structural nature of the crisis.

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# Annexes

## Annex (1): Consumer Price Index in Syria by Major Consumption Groups and Governorate in January 2026, (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** | **1,262** | **1,008** | **1,268** | **986** | **1,043** | **904** | **711** | **993** | **751** | **781** | **839** | **960** | **861** | **1,032** | **840** |
| Food and non-alcoholic beverages | 703 | 659 | 710 | 729 | 665 | 648 | 679 | 696 | 684 | 880 | 737 | 597 | 640 | 695 | 636 |
| Tobacco | 655 | 723 | 648 | 520 | 576 | 569 | 546 | 749 | 428 | 617 | 540 | 682 | 453 | 629 | 595 |
| Clothing and Shoes | 594 | 538 | 574 | 684 | 697 | 673 | 682 | 799 | 588 | 572 | 823 | 780 | 518 | 477 | 609 |
| Housing, water, electricity, gas, and other fuels | 2,189 | 2,007 | 2,740 | 1,943 | 1,962 | 1,800 | 995 | 1,435 | 1,135 | 813 | 1,108 | 2,100 | 1,870 | 2,030 | 1,461 |
| Household equipment and maintenance | 606 | 487 | 524 | 841 | 416 | 415 | 491 | 528 | 496 | 501 | 1,195 | 469 | 630 | 502 | 514 |
| Health | 853 | 821 | 778 | 766 | 738 | 713 | 569 | 936 | 883 | 712 | 766 | 946 | 998 | 722 | 780 |
| Transportation | 1,187 | 1,166 | 1,267 | 1,137 | 1,237 | 1,131 | 472 | 771 | 720 | 650 | 1,007 | 953 | 653 | 1,274 | 816 |
| Communications | 330 | 329 | 331 | 329 | 327 | 327 | 45 | 334 | 330 | 333 | 332 | 332 | 331 | 328 | 202 |
| Culture and entertainment | 397 | 602 | 509 | 327 | 377 | 478 | 603 | 624 | 721 | 406 | 509 | 450 | 305 | 362 | 454 |
| Education | 791 | 895 | 1,063 | 880 | 1,121 | 869 | 1,223 | 1,048 | 1,012 | 664 | 1,049 | 917 | 983 | 1,027 | 858 |
| Various goods and services | 823 | 942 | 892 | 706 | 1,017 | 590 | 694 | 831 | 686 | 664 | 770 | 1,003 | 749 | 1,157 | 802 |

Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2026.

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