



Inflation in a Fragmented Economy

Unequal Foreign Trade under Dollarization

Monthly Bulletin for Consumer Price Index and Inflation in Syria
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Executive Summary

The results of the December 2025 survey indicate that the observed slowdown in inflation should not be interpreted as an improvement in living conditions; rather, it reflects a fragile stabilization at a persistently high price level, suggesting that underlying structural pressures remain unresolved. The overall Month on month (M-o-M) inflation rate reached 1.3 per cent, driven primarily by the “housing, water, electricity, gas, and other fuels” group, which recorded a price increase of approximately 3.2 per cent, indicating that essential services continue to be the main drivers of inflation. Meanwhile, the overall Consumer Price Index (CPI) remained at 833 points—more than eight times higher than the 2021 base year—indicating that while the economy has moved beyond acute price shocks, it has not exited the crisis of purchasing power, and that price levels remain structurally elevated.

This inflationary pattern is largely driven by policy-induced cost increases and their transmission across sectors. Inflation during this month is mainly attributed to the increase in electricity tariffs through the formal grid, and the resulting cascading effects across related sectors, highlighting the central role of energy costs in shaping overall price dynamics. This was compounded by a notable rise in housing rents in major urban centers (Damascus and its surroundings, Homs, Hama, Aleppo, and Idleb), suggesting that urban demand pressures and cost pass-through effects are intensifying housing-driven inflation. In contrast, the decision to unify university fees helped ease price pressures within the education group, particularly in universities in Idleb and Aleppo countryside, where costs declined from a range of USD 150–300 to an annual nominal fee of SYP 60000, indicating that targeted policy interventions can partially mitigate inflationary pressures in specific sectors.

At the regional level, inflation dynamics reveal significant spatial disparities. Price surveys reveal a clear pattern of fragmentation across Syrian regions, indicating that inflation is not uniformly distributed. Idleb recorded the highest inflation peak at 6.8 per cent, driven by a sharp increase in housing costs of 30.8 per cent, underscoring the centrality of housing in driving local inflation. A similar trend is observed in Hama (overall inflation of 4.8 per cent and housing at 10.5 per cent), suggesting that population-dense urban centers are increasingly experiencing housing-driven inflation that absorbs the largest share of household income.

This fragmentation is further evident when examining price variability across economic zones. In terms of variance across the three economic zones (SYP-Governed Areas (SYP-GA), TL-Governed Areas (TL-GA), and Autonomous Administration (AA) areas), the “furnishings, household equipment, and routine maintenance” group exhibits the highest price variability, followed by transport, indicating sensitivity to local cost structures and supply conditions. In contrast, food, beverages, and tobacco groups maintained a low coefficient of variation, indicating relative price convergence in essential tradable goods across internal and external markets, which reflects the influence of trade integration and common pricing benchmarks.

Despite this relative price stabilization in some sectors, social outcomes remain under severe pressure. Wage and poverty indicators show that relative price stability has not translated into social stability, highlighting a disconnect between macro-level indicators and household welfare. Wages in both the public and private sectors remain below the

abject poverty line, with increasing reliance on remittances and external income sources, indicating a structural inadequacy in domestic income generation. Accordingly, the central issue at the end of 2025 is not only inflation control, but also preventing its transformation into a persistent pattern of rising costs for the reproduction of daily life—particularly in housing, energy, and transport—suggesting that without addressing these core sectors, inflation will continue to erode living standards.

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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 Fragmented Economy: Unequal Foreign Trade under Dollarization

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. It relies on a methodology developed by the Center to construct the Consumer Price Index (CPI), incorporating the components of the consumer basket, weighting structures, 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](#)).

The bulletin presents the results of the monthly consumer price survey, reviewing the Consumer Price Index (CPI) for December 2025 (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.

In this context, the bulletin situates these findings within the broader economic transformations experienced by the Syrian economy one year after the fall of the regime. Dollarization has emerged as a prominent trend, with the United States Dollar (USD) increasingly used as a unit of account and a benchmark for pricing. This shift is attributed to the removal of legal restrictions on the possession and circulation of foreign currencies, alongside the adoption of government policies that have reinforced this trajectory, including pricing petroleum derivatives in USD or their equivalent in Syrian Pound (SYP)¹, and setting electricity prices purchased from local investors in USD². These transformations have been accompanied by restrictive monetary policies, particularly liquidity-constraining measures, which have weakened confidence in the national currency and the banking system, alongside the growing role of external remittances in fueling demand for foreign currencies. This intersects with the geographical multiplicity of monetary systems within the country, where some areas rely on Turkish Lira (TL), while others operate using a mix of USD and SYP, thereby entrenching monetary duality and limiting the effectiveness of monetary policy.

The effects of dollarization and liquidity-constraining policies extend beyond monetary indicators to reshape bargaining power within the market, particularly between groups linked to dollar-denominated income or pricing and those dependent on SYP-denominated incomes. This transformation contributes to an uneven transmission of price shocks across sectors, resulting in a concentration of burdens on low-income households, tenants, and small-scale local producers.

In parallel with these monetary shifts, data from the end of 2025—particularly in December—reflect a reconfiguration of Syria's external trade within unequal regional networks, with Turkey emerging as a dominant partner in both volume and influence.

¹ See the decisions of the Syrian Interim Government (SIG) issued on 10 December 2024 regarding the pricing of diesel, gas, and gasoline. For further details, see: Syrian Center for Policy Research (2024). [Monthly Bulletin of Consumer Prices and Inflation in Syria, Issue \(10\), December 2024](#).

² Syrian Ministry of Energy. (3 July 2025). [Decision No. 154: A New Regulatory Framework to Support Renewable Energy Projects](#).

Turkish exports to Syria exceeded USD 2.5–3 billion in 2025, recording growth between 54 and 70 per cent compared to 2024. In December alone, exports reached approximately USD 384 million, while Turkish imports from Syria did not exceed USD 13.5 million in the same month³, reflecting a sharp imbalance in the trade balance. This indicates the integration of the Syrian market into a trade pattern oriented toward absorbing industrial and food surpluses—particularly essential food commodities, plastic and chemical products, and electrical equipment—within a context of evolving economic interest networks. In contrast, Syria's trade relationship with Jordan reflects a different functional pattern, as Syrian imports from Jordan increased by 353 per cent in 2025, concentrated primarily in petroleum derivatives and fuel, agricultural and food products, in addition to re-exported consumer goods and certain raw materials linked to the construction and trade sectors⁴.

Within this framework, the survey results indicate the continued presence of inflationary pressures despite a relatively moderate Month on month (M-o-M) inflation rate of 1.3 per cent. These pressures are driven primarily by rising housing and energy costs as key price determinants, alongside clear spatial disparities in inflation dynamics reflecting differences in currency regimes, subsidy policies, and transportation and energy costs across regions. At the same time, estimates of the cost of living and poverty lines reveal a structural crisis in wage adequacy, with most wages remaining below minimum living standards and an increasing reliance on external income sources. This reflects a pattern of fragile stability at low levels of economic activity, coupled with persistent distortions in income structure and distribution.

³ Anadol. (2026, 23 January). [Türkiye's exports to Syria surge nearly 70% in 2025](#). And OEC World. [Turkey / Syria](#)

⁴ The Syria Report. (2026, 17 February). [Analysis: Surge of Imports in 2025](#).

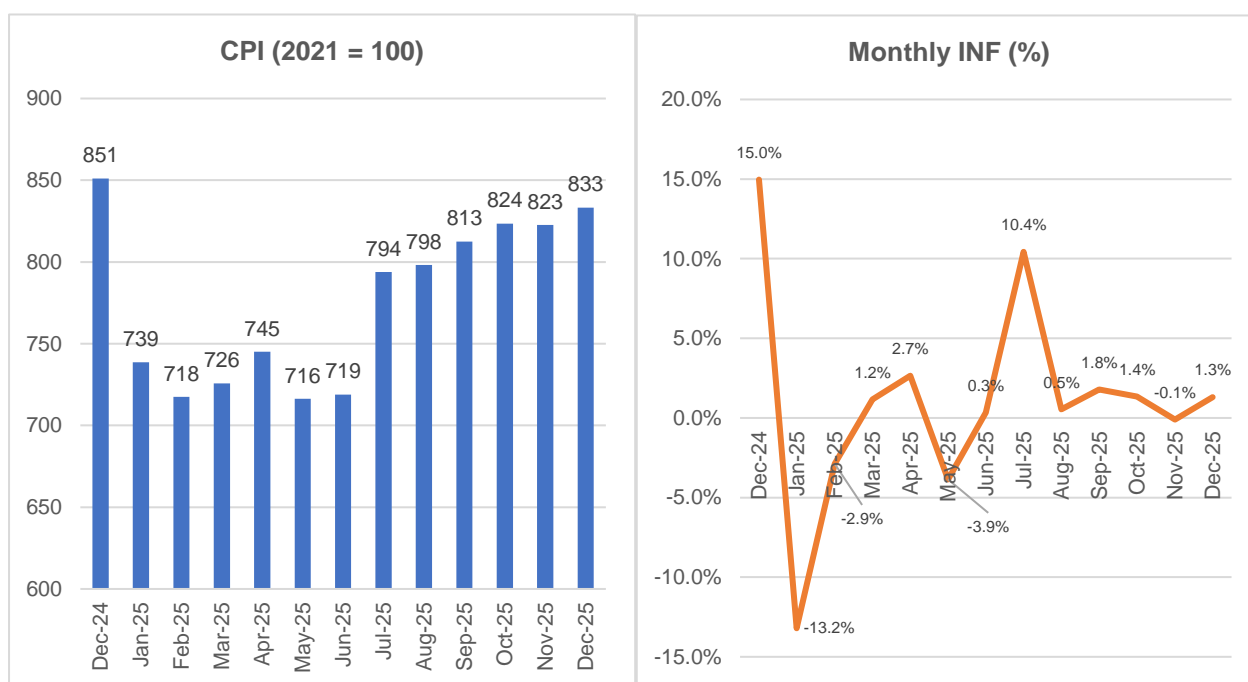
2. Annual Inflation in Syria December 2025

The Syrian economy in the aftermath of the fall of the regime has been characterized by significant price volatility driven by multiple factors, most notably the partial or full liberalization of prices for bread, energy carriers, and electricity. After Month on month (M-o-M) inflation peaked at 15 per cent in December 2024, the first quarter of 2025 witnessed a sharp deflationary wave, reaching 13.2 per cent in January, influenced by decisions related to trade liberalization. However, this price response was not uniform across sectors. Tradable and imported goods benefited from the reduction of trade barriers—such as cars, electrical appliances, and electronics—while prices in tariff-protected sectors and non-tradable local services, including housing rents, education, and healthcare, did not decline. This resulted in distortions in the relative price structure within the domestic market during the first half of the year.

In the second half of the year, volatility persisted, reaching a peak in July with an inflation rate of 10.4 per cent, before trending toward relative stability in the final quarter. December closed with an inflation rate of 1.3 per cent, bringing the Consumer Price Index (CPI) to 833 (base year 2021).

Although the annual comparison between the end of 2024 and 2025 shows a slight decline in the overall index by 2.1 per cent (from 851 to 833 points), this decrease does not reflect a genuine improvement in price levels. December 2024 was affected by an exceptional inflationary shock of 15 per cent, followed by a correction that brought the index back to levels close to November 2024, making the comparison base unusually high. In contrast, the CPI level in December 2025 indicates that prices remain more than eight times higher than those of the 2021 base year, underscoring the persistence of a deep gap between income levels and the cost of living.

Figure (1): Consumer Price Index and Monthly Inflation (M-o-M) in Syria during the period (December 2024 – December 2025), (Base Year 2021 = 100) and (Inflation in per cent)



Source: Syrian Center for Policy Research (SCPR) 2024 and 2025, Monthly Consumer Price Survey in Syria.

3. Monthly Inflation – December 2025

Data for December 2025 indicate an increase in the overall inflation rate by 1.3 per cent. The primary driver of this rise was the “housing, water, electricity, gas, and other fuels” group, which recorded a monthly inflation rate of 3.2 per cent. This increase is mainly attributed to higher electricity prices through the public grid, along with the resulting cascading effects on the costs of related sectors. A notable rise in housing rents was also observed, reflecting landlords’ responses to overall inflationary pressures, particularly in major urban centers such as Damascus, Rural Damascus, Homs, Hama, Aleppo, and Idleb.

Data presented in Table (1) reveal a structural shift in the drivers of inflation in Syria during 2025. The housing, water, electricity, gas, and other fuels group emerged as the most significant inflationary pressure, with its index reaching 1,467 points (base year 2021), substantially exceeding all other groups.

Table (1): Monthly Consumer Price Inflation in Syria for December 2025 by Consumption Groups (Base Year 2021 = 100) and (Inflation in per cent)

#	Group	CPI Syria (Dec 2025)	CPI Syria (Nov 2025)	M-o-M Inflation
	All commodities	833	822	%1.3
1	Food and non-alcoholic beverages	613	611	%0.3
2	Tobacco	600	600	%0.1
3	Clothes and shoes	629	620	%1.6
4	Housing, water, electricity, and other fuel oils	1467	1422	%3.2
5	Household equipment, supplies, and maintenance	492	480	%2.3
6	Health	775	782	%0.9-
7	Transportation	848	850	%0.3-
8	Communications	209	208	%0.4
9	Entertainment and culture	477	461	%3.6
10	Education	853	916	%6.9-
12+11	Various commodities and services	788	787	%0.1

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

5. Price Variance across Governorates and Monetary Spaces

The analysis of price disparities across the three regions—Transitional Government Areas operating in Syrian Pound (SYP-GA) (formerly Government of Syrian regime (GoS) areas), Transitional Government Areas operating in Turkish Lira (TL-GA) (formerly Syrian Interim Government (SIG) and Syrian Salvation Government (SSG) areas), and Autonomous Administration (AA) areas⁵—at the level of major consumption groups reveals that the “household furnishings, equipment, and routine maintenance” group exhibited the highest degree of price variation in December 2025, followed by the transport group. In contrast, key groups such as tobacco, miscellaneous goods and services, and food and non-alcoholic beverages displayed relatively low coefficients of variation.

a) Household Furnishings, Equipment, and Routine Maintenance

Price disparities in household furnishings and electrical equipment across Syrian governorates reflect a complex interaction of logistics costs, differences in circulating currencies, and the availability of energy sources. Data analysis shows that durable goods such as a “standard 18-foot refrigerator” and an “8 kg automatic washing machine” record their highest price levels in areas operating with the Syrian Pound (SYP), particularly in Damascus and Dara’a, where refrigerator prices exceed SYP 7 million in Dara’a. This increase is associated with higher local production costs compared to imported goods that are more prevalent in the northeastern and northwestern regions of Syria.

Northwest Syria (SIG and SSG areas) clearly stands out for having lower prices of handicraft and textile products (bedroom sets, carpets, blankets, and Aleppo soap). This is largely due to their proximity to Turkish markets, strong trade linkages with them, and the presence of local artisanal industries that rely on readily available raw materials within these areas. In contrast, Northeast Syria (AA areas) records the lowest prices for durable goods. This is attributed to lower transport costs (due to fuel availability) and the presence of land import routes (via the Kurdistan Region of Iraq), which are subject to less stringent customs duties compared to official Syrian ports and border crossings.

Table (2): Prices of Selected Goods and Services under the Household Furnishings, Equipment, and Routine Maintenance Group by Region – December 2025 (in Syrian Pound)

#	Item (Unit)	Former Regime areas	Former SIG and SSG areas	AA areas
1	Local bedroom set	10,297,614	6,519,147	7,312,706
2	Carpet (moquette)	157,337	85,064	108,944
3	Blanket	235,985	145,732	155,502
4	Gas cylinder (butane)	2,459,501	2,202,820	2,032,729
5	Standard refrigerator	5,446,217	2,847,775	3,129,076
6	Automatic washing machine	4,344,583	3,937,889	2,860,267
7	Aleppo soap	8,042	5,005	6,175
8	Imported shampoo	40,387	34,994	33,376

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

⁵ The Coefficient of Variation (CV) was calculated for each individual item, followed by the computation of the average CV across all items within each major consumption group. This methodology enables the identification of the economic sectors that exhibit the highest levels of price fragmentation and instability across regions.

b) Transport Group

Statistical data for 2025 reveal a pronounced structural divergence in transport economics across Syrian regions, with fuel subsidy policies playing a central role in shaping these disparities. In Autonomous Administration (AA) areas, the price of subsidized fuel stabilizes at SYP 4637 per liter, representing a reduction of more than 54 per cent compared to Syrian Pound (SYP) and Turkish Lira (TL) areas, where prices exceeded SYP 10000. This price differentiation is driven by the centralization of oil resources and their allocation toward supporting domestic consumption, making the “unsubsidized” fuel price in AA areas—at SYP 8818—competitive even with subsidized prices in other Syrian regions.

The impact of this variance extends to the operational costs of both public and private transport, resulting in a differentiated price reality. AA areas recorded the lowest cost for public transport services at SYP 2067, while this figure more than doubled in former SIG and SSG areas, reaching SYP 4950.

The gap is even more pronounced in the taxi sector, where fares in northern and western Syria exceeded more than twice those in AA areas. This reflects the direct relationship between the absence of government fuel subsidies and the rising cost of daily living for the population.

Table (3): Prices of Selected Goods and Services in the Transport Sector by Area of Control – December 2025 (in Syrian Pound)

#	Item (Unit)	Former Regime areas	Former SIG and SSG areas	AA areas
1	Fuel for private car (subsidized), 1 liter	10,440	10,058	4,637
2	Fuel for private car (unsubsidized), 1 liter	11,319	10,058	8,818
3	Bus/minibus fare within the city	2,444	4,950	2,067
4	Taxi fare within the city (3 km)	21,252	29,047	14,583
5	Intercity bus fare (per 1 km)	359	286	336

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

6. Contributors to Inflation

The analysis of inflation for December 2025 shows that the “housing, water, electricity, gas, and other fuels” group was the primary driver of price increases at the national level, with a contribution of 102 per cent. This reflects substantial pressure on basic living and energy costs, in contrast to the relative stability observed in other consumption groups. This trend was particularly evident in Tartous, As-Sweida, Idleb, and Dara’a, where increases in this group absorbed any price declines in other categories. Meanwhile, the education group contributed to reducing the inflation rate during the same month, following a decision by the Ministry of Education to unify tuition fees across public universities for the 2025–2026 academic year⁶. This resulted in a reduction of education fees in universities in Idleb and Aleppo countryside from USD 150–300 to a nominal annual fee of SYP 60000.

The contribution analysis of Month on month (M-o-M) inflation for December 2025 reveals sharp structural disparities across the three Syrian regions. In SYP-Governed Areas (SYP-GA) (formerly Government of Syrian regime (GoS) areas), despite an overall inflation rate of 1 per cent, the “housing, water, electricity, gas, and other fuels” group was the dominant driver, with a contribution of 114 per cent. This indicates that rising basic living costs absorbed the marginal price declines in other groups, such as food and non-alcoholic beverages, which recorded a negative contribution of (-23 per cent). This pattern suggests that inflationary pressures during this period were driven more by energy and public service costs than by direct consumer goods.

In TL-Governed Areas (TL-GA) (formerly Syrian Interim Government (SIG) and Syrian Salvation Government (SSG) areas), the highest monthly inflation rate was recorded at 7.4 per cent, driven almost entirely by the housing, water, electricity, gas, and other fuels group (with a contribution of 73 per cent), and the food and non-alcoholic beverages group (22.5 per cent). This sharp increase reflects the high sensitivity of these areas to fluctuations in energy prices and supply chains linked to the Turkish Lira (TL), where housing pressures and basic food needs together accounted for approximately 96 per cent of total inflation. Other sectors, such as education, health, and communications, showed relative stability.

In contrast, Autonomous Administration (AA) areas recorded a monthly inflation rate of 1.2 per cent during this month. However, this figure conceals significant structural imbalances in the relative weights of consumption groups. The food and non-alcoholic beverages group exerted strong inflationary pressure, with a contribution of 120 per cent, yet this effect was fully offset by a negative (deflationary) contribution from the housing, water, electricity, gas, and other fuels group of (-32 per cent). This substantial offset is attributed to the appreciation of the Syrian Pound (SYP) against the United States Dollar (USD). Given that housing and fuel costs in these areas are inherently dollarized, the exchange rate decline led to a direct reduction in housing and energy operating costs, creating a compensatory balance that effectively contained food inflation.

⁶ Ministry of Higher Education and Scientific Research. [Decision on the Unification of University Tuition Fees for the 2025–2026 Academic Year.](#)

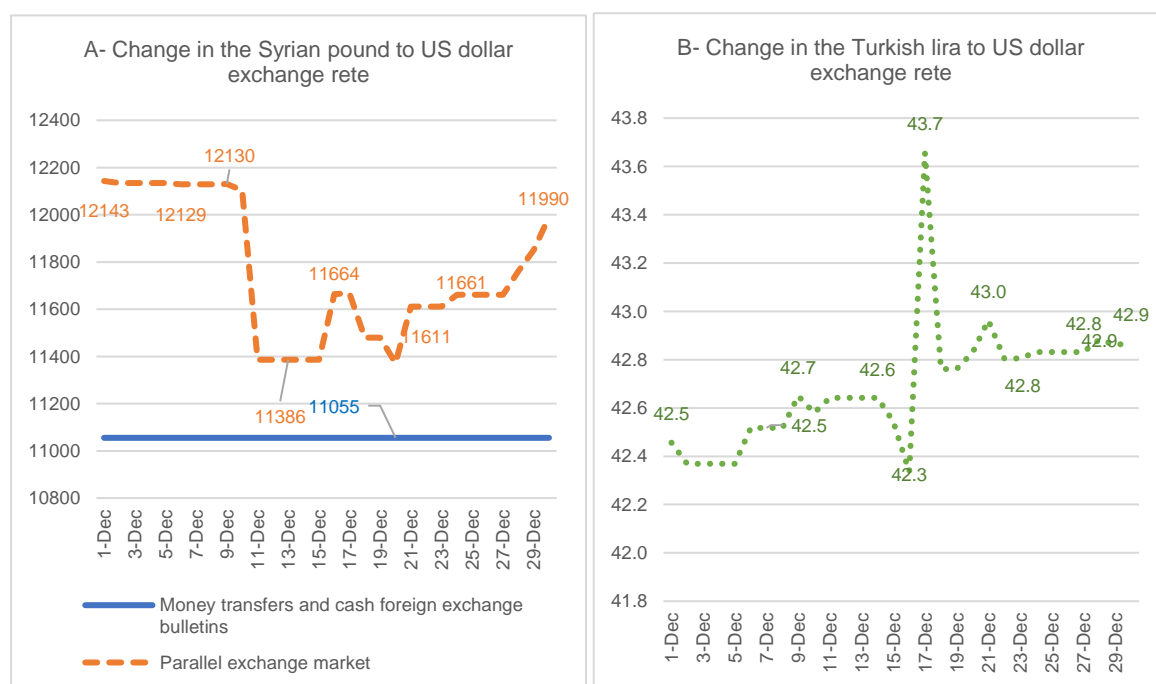
7. Exchange Rate Changes

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 seventh consecutive month, while the parallel market exhibited clear fluctuations, ranging between SYP 11990 and SYP 12143 per USD. Despite these fluctuations, the Syrian Pound (SYP) recorded a relative appreciation of 1.42 per cent during December, as the average exchange rate declined to SYP 11773 compared to SYP 11942 in November.

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

As for the Turkish Lira (TL), data indicate a fluctuating upward trend in the exchange rate during December 2025, reflecting a gradual depreciation in its value. The exchange rate weakened from approximately 42.5 TL per USD at the beginning of the month to around 42.9 TL per USD by the end of the month.

Figure (3): Exchange rate changes of the Syrian Pound and Turkish Lira against the United States Dollar during December 2025



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

8. Wages in Syria, December 2025

The average monthly salary of a public sector university employee (at entry level) in Syria reached approximately SYP 1.14 million in December 2025. In comparison, the average monthly wage for a private sector worker stood at SYP 1.30 million, while civil sector employees recorded a higher average of SYP 2.97 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 sector⁷. In this context, unskilled labor (daily wage workers) remains the most vulnerable group to economic pressures across all regions and governorates.

Table (4): Average Monthly Wages in Syria during December 2025 (in Syrian Pounds)

	Former Regime areas	Former SIG and SSG areas	AA areas	Whole of Syria
A- Public sector workers				
Employee Wage (University Professor)	3030000	5954498	3090000	3382338
Employee Wage (University Grad)	935000	2353952	1060000	1146279
Employee Wage (Basic education)	859000	1374975	1040000	960354
B- Private sector workers				
Company Manager Wage	4098047	5103856	3038156	4233432
Shop Worker Wage	1305789	1582142	1038400	1305509
C- Civil sector workers				
Employee Wage (University Grad)	2384131	5074523	3547822	2976883

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) 2025, Monthly Consumer Price Survey in Syria.

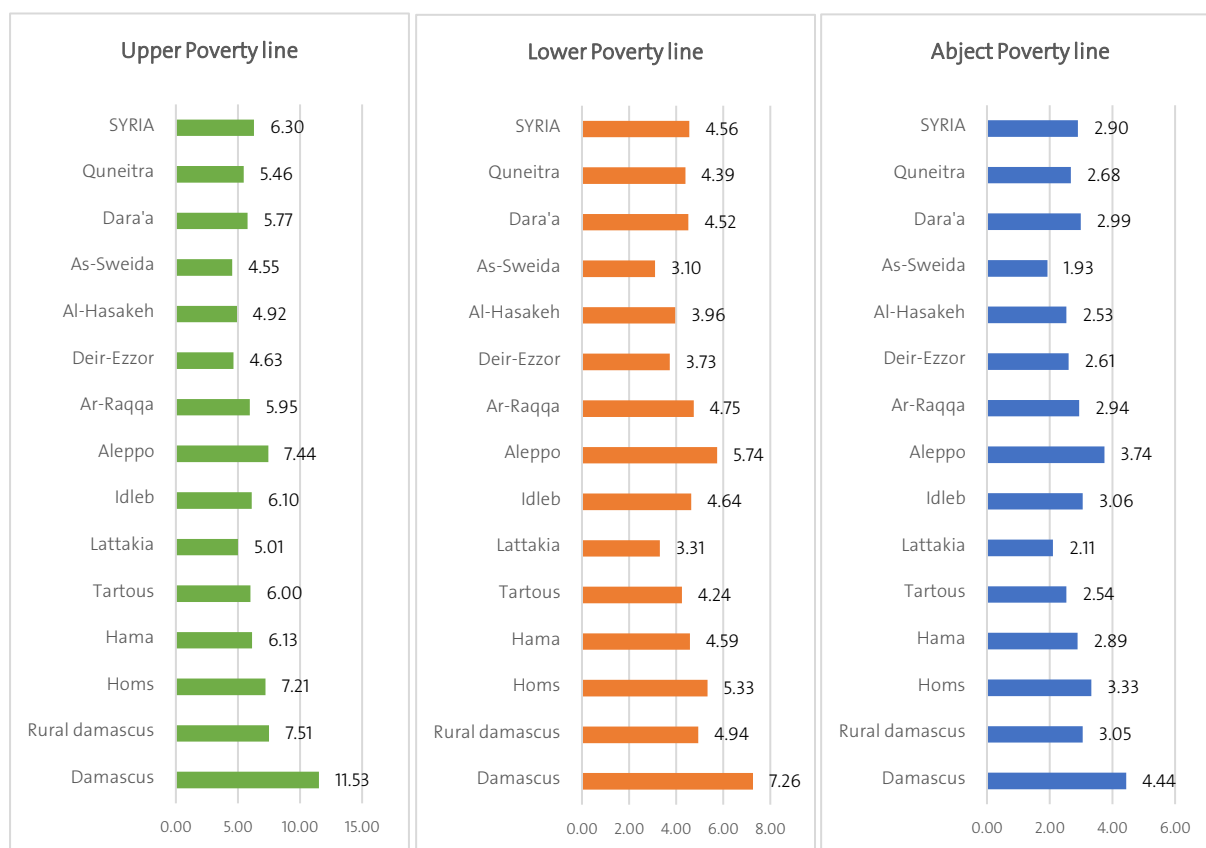
⁷ It should be noted that wages of civil sector employees in areas formerly under the control of the Government of Syrian regime (GoS), despite being relatively higher than those in the public and private sectors, remain significantly low at the regional level. They amount to only 67 per cent of their counterparts in Autonomous Administration (AA) areas and 47 per cent of those in Transitional Government Areas operating with the Turkish Lira (TL-GA), as of December 2025.

9. Poverty Lines in Syria, December 2025

The abject poverty line for a household⁸ (as an indicator of food deprivation) at the national level in Syria reached SYP 2.90 million per month in December 2025. The lower poverty line stood at SYP 4.56 million, while the upper poverty line reached SYP 6.30 million.

Poverty lines recorded their highest levels in the governorates of Damascus, Aleppo, Homs, and Rural Damascus, while the lowest values were observed in As-Sweida, Lattakia, Deir-Ezzor, and Al-Hasakeh during December 2025.

Figure (4): Monthly Poverty Lines in Syria during December 2025 (SYP million)



Source: Syrian Center for Policy Research (SCPR) 2025, 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 60 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 55 per cent of the abject poverty line and approximately 79 per cent of the upper poverty line.

The most acute crisis is concentrated in the public sector, where the average monthly wage covers only 39.5 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 by margins ranging between 63 per cent and 82 per

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

cent. This implies that the majority of Syrian households live 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 103 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. Nevertheless, this protection remains partial, as civil sector employees still fall short of the upper poverty line by 53 per cent, confirming that the cost-of-living crisis is both structural and pervasive.

Table (5): Coverage of Average Monthly Wages for Poverty Lines in Syria during December 2025 (in per cent)

	Former Regime areas	Former SIG and SSG areas	AA areas	Whole of Syria
A- Wage Coverage of Abject Poverty Line				
Public Employee (Uni Grad)	32.1	75.4	40.8	39.5
Private Sector Worker	44.8	50.7	40.0	45.0
Civil Sector Employee	81.8	162.6	136.7	102.7
B- Wage Coverage of Lower Poverty Line				
Public Employee (Uni Grad)	20.3	49.5	26.6	25.1
Private Sector Worker	28.3	33.3	26.1	28.6
Civil Sector Employee	51.8	106.7	89.1	65.3
C- Wage Coverage of Upper Poverty Line				
Public Employee (Uni Grad)	14.7	37.9	21.4	18.2
Private Sector Worker	20.5	25.5	20.9	20.7
Civil Sector Employee	37.4	81.7	71.6	47.3

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

10. Conclusion

The results for December 2025 indicate that a slowdown in monthly inflation cannot be interpreted as evidence of economic recovery, as underlying structural pressures remain unresolved. A reduction in inflation rates does not necessarily translate into improved living conditions; rather, prices have stabilized at a level that exceeds the capacity of local wages, while housing and energy have become the central pillars of the cost-of-living crisis, suggesting that inflation has shifted from a volatility problem to a level problem. This finding aligns with a broader interpretation that “recovery” should not be measured by improvements in nominal indicators or trade liberalization alone, but rather by the economy’s ability to rebuild production, income, and public services, which remain structurally weak.

This structural imbalance is further reinforced by the distributional impact of current policies. Accordingly, the continued inflation in housing and energy components—alongside expanding dollarization and unequal trade—indicates that a significant share of the costs of transitional policies has been borne by low-income households, particularly renters and workers in both the public and private sectors, highlighting the regressive nature of recent policy adjustments.

The mechanisms through which these pressures materialize are closely linked to energy pricing. The increase in electricity tariffs triggered a sequence of cascading price effects, which gradually extended to rents, housing-related services, and other sectors, confirming that energy costs act as a central transmission channel for inflation. In contrast, the unification of public and private university fees across Idlib, Aleppo countryside, and other governorates contributed to a state of relative stability in education costs, thereby easing the financial burden on students in northwest Syria, demonstrating that targeted interventions can mitigate inflationary pressures in specific sectors.

At the spatial level, price dynamics reflect deep structural fragmentation. Price disparities across governorates are primarily attributed to differences in pricing structures and the multiplicity of currencies circulating in local markets, indicating that market integration remains incomplete. While tradable goods (such as imported food, electrical appliances, and electronics) tend toward price convergence, non-tradable services (such as health, education, and other services) remain highly sensitive to local conditions and input costs, particularly transport and energy, which reinforces regional inequalities in the cost of living.

Given these dynamics, the widening gap between income and living costs emerges as the central policy challenge. Based on the findings of the bulletin, which reveal a widening gap between income and living costs, a set of necessary policy interventions emerges to restore economic and social balance:

1. **Revisiting Energy Pricing Policies:** There is an urgent need to reassess the decision to increase electricity tariffs, given its direct impact on deepening household financial deficits, indicating that current pricing policies are socially unsustainable. Data indicate that the new cost structure exceeds the capacity of low-income groups, whose real wages cover only a small fraction of basic needs. Reversing this increase is essential to avoid severe economic and social repercussions.
2. **Regulating Rental Markets:** It is necessary to introduce controls on rising rents in major urban centres to curb housing-driven inflation, which absorbs the largest

share of disposable income, while also addressing price disparities caused by monopolistic practices or lack of coordination across regions, thereby reducing pressure on household budgets.

3. **Comprehensive Wage Review:** A systematic revision of wage levels—particularly in the public sector—is required to reduce the substantial gap, which has reached 82 per cent of the upper poverty line, highlighting the scale of income inadequacy. Any future wage increases should be indexed to inflation and living costs to ensure effectiveness and preserve real purchasing power.
4. **Link Wage Adjustments to Cost of Living:** Link any wage adjustments—particularly in the public sector—to the cost of living index and poverty lines, in order to limit the ongoing erosion of real wages, and avoid discrimination among employees based on proximity to authority or political loyalty, thereby enhancing equity within the wage structure.
5. **Strengthening Social Protection Networks:** With the abject poverty line reaching SYP 2.90 million, there is a pressing need to expand social protection programmes to include direct and targeted support for food and energy, ensuring that assistance reaches those most in need. Priority should be given to the most vulnerable groups and households relying on unstable local income sources, to ensure a minimum level of food security and mitigate the social impact of inflation.

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Annexes

Annex (1): Consumer Price Index in Syria by Major Consumption Groups and Governorate in December 2025, (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	1,273	1,008	1,289	973	1,021	894	697	980	716	741	810	956	849	1,021	833
Food and non-alcoholic beverages	707	650	700	701	614	611	603	694	598	804	703	622	626	654	613
Tobacco	643	696	654	520	557	622	612	795	466	607	509	686	453	629	600
Clothing and Shoes	643	530	534	705	954	674	766	774	565	568	822	745	518	477	629
Housing, water, electricity, gas, and other fuels	2,195	2,026	2,818	1,954	1,975	1,802	1,148	1,381	1,183	823	1,101	2,025	1,813	2,065	1,467
Household equipment and maintenance	661	423	505	753	377	409	471	528	491	497	816	470	644	501	492
Health	884	836	902	756	670	718	508	897	866	711	745	943	937	722	775.3
Transportation	1,196	1,173	1,314	1,131	1,271	1,133	508	771	794	641	1,006	960	728	1,280	848
Communications	330	329	329	329	327	327	44	556	329	333	333	332	331	328	209
Culture and entertainment	380	650	593	328	394	481	476	623	717	407	566	451	345	362	477
Education	820	925	1,084	880	1,034	918	1,316	969	1,002	600	1,030	922	1,147	1,028	853
Various goods and services	894	954	824	715	873	597	616	820	692	670	699	1,003	749	1,157	788

Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2025.

The Syrian Center for Policy Research is an independent, non-governmental, and non-profit research institution established in 2012. It plays a leading role in scientific and knowledge production in Syria and the region. The Center works to bridge the gap between research and policymaking and contributes to the development of evidence-based, participatory dialogue, with the aim of advancing policy alternatives that promote inclusive, human-centered sustainable development.