Cost-Push Inflation

The Impact of Political Transformations on Prices in Northeast Syria

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Executive Summary

The inflation surge recorded in February 2026 indicates a significant escalation in price pressures, driven by a combination of structural and short-term factors. The Consumer Price Index (CPI) recorded a Month on month (M-o-M) inflation rate of 6.5 per cent in February 2026 compared to January 2026, confirming that inflation was not only elevated but broadly driven by multiple reinforcing dynamics, most notably exchange rate volatility, rising transport and energy costs, colder weather conditions, and weak market oversight.

This inflationary pattern is clearly reflected at the level of major consumption groups, highlighting the concentration of pressures in essential sectors. Prices increased by 7.9 per cent for housing, water, electricity, gas, and other fuels; 5.9 per cent for food and non-alcoholic beverages; 16.8 per cent for furnishings, household equipment, and routine maintenance; 5.8 per cent for health; and 5.7 per cent for transport, indicating that inflation was driven primarily by cost escalation in basic goods and services.

The spatial distribution of inflation further underscores its structural drivers. The governorates of Ar-Raqqa, Deir-Ezzor, and Al-Hasakeh recorded elevated inflation rates, which can be primarily attributed to the reassertion of control by government forces in Ar-Raqqa and Deir-Ezzor. This development was followed by a structural shift from the subsidized provisioning system previously in place under the Autonomous Administration (AA) to a liberalized pricing regime for strategic goods and essential services (including bread, diesel, gasoline, gas, electricity, and water), suggesting that institutional and governance changes have directly translated into price increases.

At the national level, the inflation pattern reflects a dual and uneven market structure. Data for February 2026 indicate a dual pattern at the national level: a relative convergence in the prices of tradable goods, which can be linked to shifts in trade policies following the liberalisation of imports, accompanied by the subsequent harmonisation of customs duties across areas under the SIG. In contrast, non-tradable services and durable goods exhibited significant price divergence, as their prices remained driven by local factors such as operating costs—particularly energy—income levels, domestic demand, and differences in the currency of circulation across regions, highlighting the fragmented nature of domestic markets.

The contribution analysis further clarifies the concentration of inflationary pressures. An analysis of contributions to M-o-M inflation in February 2026 shows that national price pressures (6.5 per cent) were primarily concentrated in two main groups: housing, water, electricity, gas and other fuels, which accounted for 52 per cent, and food and non-alcoholic beverages, which contributed 30 per cent, with secondary contributions from the transport group and furnishings and household equipment, confirming that essential consumption categories are the primary drivers of inflation.

Monetary dynamics add another layer to this inflationary environment. The Central Bank of Syria continued to maintain the official exchange rate (for remittances and exchange operations) at SYP 11055 per USD for the ninth consecutive month, alongside noticeable fluctuations in the parallel market, where the exchange rate ranged between SYP 11507 and SYP 11786 per USD, indicating a divergence between official and market signals. Despite these fluctuations, the Syrian Pound (SYP) appreciated by 1.7 per cent during February, with the average exchange rate reaching SYP 11655 per USD, compared to SYP 11773 per USD in the previous month, suggesting that nominal exchange rate movements did not fully offset underlying inflationary pressures.

From an income perspective, the data reveals persistent constraints on household purchasing power. The average monthly wage of a university-educated public sector employee (at entry level) in Syria stood at approximately SYP 1.13 million in February 2026, while the average monthly wage in the private sector reached SYP 1.32 million, and the average wage of a civil sector employee amounted to SYP 3.1 million during the same period, indicating disparities across employment categories.

However, these income levels remain insufficient in relation to the cost of living. The abject poverty line for a household reached SYP 3.11 million per month in February 2026, while the lower poverty line stood at SYP 4.89 million, and the upper poverty line at SYP 6.76 million, highlighting the magnitude of the gap between earnings and basic needs. An analysis of wage-to-poverty-line coverage in Syria reveals a deep structural crisis in income adequacy, particularly in both the public and private sectors. At the national level, the overall average reflects a severe shortfall, with the wages of a university-educated public sector employee covering less than 63 per cent of the abject poverty line, and this gap widening to exceed 83 per cent when compared to the upper poverty line, underscoring the extent of income erosion under sustained 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

Cost-Push Inflation: The Impact of Political Transformations on Prices in Northeast Syria

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 February 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.

Field data indicate that price developments during February 2026 occurred within the context of a practical transition toward implementing institutional integration arrangements in Deir-Ezzor and Ar-Raqqa within the Transitional Government system. This process involved the unification of regulatory and economic frameworks, including the regulation of the energy sector, the banning of informal oil refining activities (burners), and the realignment of prices for several essential goods with levels prevailing in Transitional Government areas.

These measures were reflected in the cost structure of the market through increases in fuel and petroleum derivative prices, following the suspension of low-cost local refining sources. This, in turn, led to rising transportation, production, and service costs. These developments coincided with ongoing seasonal factors, including lower temperatures and the onset of Ramadan, which contributed to increased demand for food and consumption-related services, at a time when some markets faced supply constraints and rising input costs.

These dynamics suggest that the observed price surge reflects the transmission of an institutional–energy shock, originating from the restructuring of oil and gas resource management and pricing mechanisms in eastern Syria, and gradually spreading through transport, production, and distribution channels to affect food commodities and essential services. This reinforces the structural nature of inflation during this phase.

Observations further indicate that energy costs—particularly gas and fuel—played a central role in shaping price trends during the month, through their direct impact on production and service activities, including restaurants and fresh food products. At the same time, continued changes in supply chains and the movement of goods across governorates contributed to variations in price levels and their geographic distribution.

From the demand perspective, field observations show that price pressures during February influenced household behavior, with some households adjusting their consumption patterns in terms of quantity and quality of goods, in response to rising prices and irregular income sources in certain areas, particularly coastal regions. Conversely, some markets continued to record relatively higher levels of demand, reflecting disparities in purchasing power across regions.

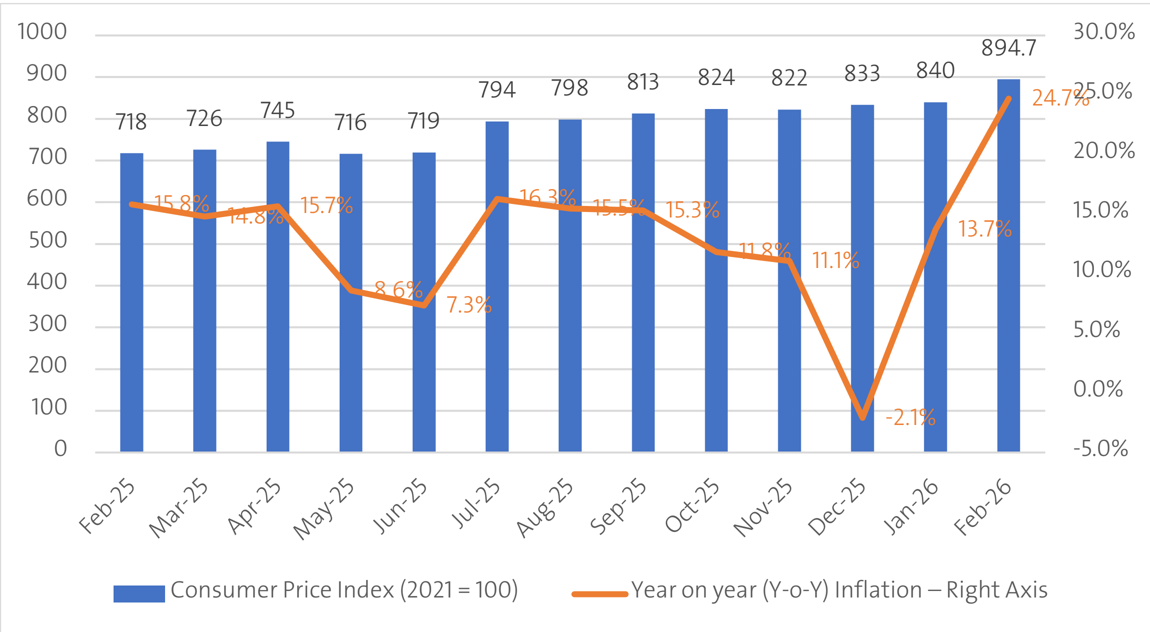
In light of these factors, the price analysis for February 2026 provides an integrated perspective that combines the effects of institutional transformations in northeast Syria, seasonal factors related to cold weather and Ramadan, and the impact of rising electricity prices, thereby offering a more comprehensive understanding of price dynamics during this period.

2. Annual Inflation in Syria February 2026

The Consumer Price Index (CPI) for February 2026 indicates the continued upward trajectory of prices, with the Year on year (Y-o-Y) inflation rate reaching 24.7 per cent compared to February 2025. The index increased from 718 points (base year 2021 = 100) to 896 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.

The housing, water, electricity, gas, and other fuels group recorded a high annual inflation rate of 34.7 per cent in February 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 an exceptional 59 per cent.

Figure (1): Consumer Price Index (CPI) and (Y-o-Y) Inflation in Syria during the period (February 2025 – February 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.

Prices of the food and non-alcoholic beverages group increased by 25.9 per cent, with varying rises across its components. Fruits recorded an increase of 48 per cent, oils and fats 34 per cent, meat 33 per cent, and legumes and vegetables 31 per cent. In contrast, relatively lower increases were observed in meat at 8.4 per cent, milk, cheese, and eggs at 14 per cent, and coffee, tea, and cocoa at 15.2 per cent.

At the same time, the education group recorded an increase of 17.5 per cent, despite the restructuring of some educational institutions and the alignment of fees with those of public and private universities. The health group also increased by 10 per cent, accompanied by a decline in the quality of healthcare services, particularly in public hospitals, due to limited funding. Prices of the miscellaneous goods and services group rose by 21 per cent, while household furnishings, equipment, and routine maintenance increased by 18 per cent, and clothing and footwear by 12 per cent.

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

#	Group	CPI February 2025	CPI January 2026	CPI February 2026	Y-o-Y Inflation	M-o-M Inflation
	All commodities	718	840	895	24.7%	6.5%
1	Food and non-alcoholic beverages	535	636	673	25.9%	5.9%
2	Tobacco	404	595	598	47.8%	0.4%
3	Clothes and shoes	566	609	632	11.8%	3.8%
4	Housing, water, electricity, and other fuel oils	1174	1461	1,576	34.3%	7.9%
5	Household equipment, supplies, and maintenance	508	514	600	18.2%	16.8%
6	Health	751	780	825	9.8%	5.8%
7	Transportation	969	816	863	-10.9%	5.7%
8	Communications	231	202	203	-12.1%	0.5%
9	Entertainment and culture	478	454	472	-1.2%	4.0%
10	Education	735	858	864	17.5%	0.7%
11+12	Various commodities and services	696	802	846	21.4%	5.4%

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

On the other hand, several consumption groups recorded annual price declines. Prices of the transport group decreased by 10.9 per cent, communications by 12.1 per cent, and recreation and culture by 1.2 per cent.

These declines are linked to policy-related factors, including the liberalization of imports for consumer goods, reductions in 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 (e-LUX and Turkcell). In addition, decisions to reduce fuel prices contributed to lowering transportation costs following the price shock caused by Syrian Interim Government (SIG) decisions to increase the prices of gasoline, diesel, gas, and bread after the fall of the regime[1].

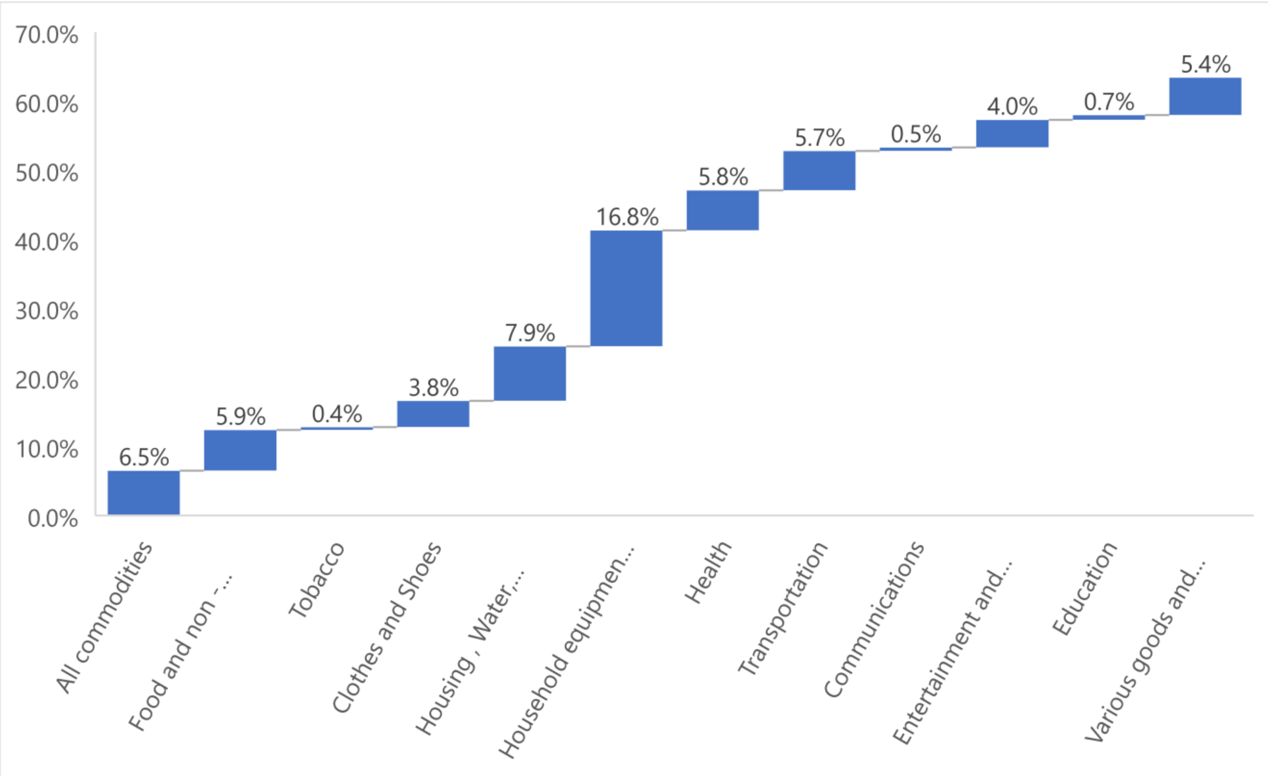
[1] On 10 December 2024, the price of subsidized gasoline was increased to USD 1.294, then reduced to USD 1.16 on 21 December 2024. This price remained in effect throughout 2025 until it was further reduced to USD 0.85 on 12 November 2025, coinciding with an increase in electricity prices. As for diesel 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.

3. Monthly Inflation – February 2026

Coinciding with the onset of Ramadan, the Consumer Price Index (CPI) recorded a Month on month (M-o-M) inflation rate of 6.6 per cent in February 2026 compared to January 2026, driven by a combination of factors, most notably exchange rate fluctuations, rising transportation and energy costs, colder weather conditions, and weak market regulation.

All major consumption groups recorded monthly increases ranging between 0.4 per cent and 16.8 per cent, indicating persistent disparities and intensifying price pressures, particularly in essential goods and services. Prices of housing, water, electricity, gas, and other fuels increased by 7.9 per cent, food and non-alcoholic beverages by 5.9 per cent, household furnishings, equipment, and routine maintenance by 16.8 per cent, health by 5.8 per cent, transport by 5.7 per cent, and miscellaneous goods and services by 5.4 per cent. Meanwhile, education prices rose by 0.7 per cent, while communications and tobacco each increased by 0.4 per cent.

Figure (2): Month on month (M-o-M) Inflation of Consumer Prices in Syria by Consumption Groups – February 2026 (in per cent)



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

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

The following analysis reviews the key commodity and service groups that recorded varying levels of inflation or notable changes in their price indices during February 2026, based on a Month on month (M-o-M) comparison with January.

3.1.1. Housing, Water, Electricity, Gas, and Other Fuels Group

Living standards in Syria during February 2026 experienced increasing inflationary pressures, clearly reflected in the price indicators of the housing, water, electricity, gas, and other fuels group, which recorded an overall monthly increase of 7.9 per cent compared to January. This price acceleration reflects instability in the cost of basic needs.

At the level of the group's components, energy and fuel costs (electricity, gas, and other fuels) recorded the highest increase at 8.5 per cent, followed closely by housing rents (actual and imputed), which grew by 8 per cent. This led to an increase in the average monthly rental value of housing nationwide, reaching approximately SYP 2.2 million, up from around SYP 2 million in the previous month. In parallel, water supply and housing-related services increased by 2.8 per cent, while maintenance and repair costs recorded the lowest increase, not exceeding 1 per cent.

These price shifts were closely linked to acute supply-side constraints. A widespread shortage of domestic gas through official channels led to the expansion of informal (black market) activity, where prices doubled to reach an average of SYP 228000 per cylinder, compared to approximately SYP 150000 in the previous month. At the same time, the water sector faced dual challenges of rising prices and declining quality, as the cost of one cubic meter of tanker water rose to around SYP 52000, alongside reported cases of water contamination in several areas, notably in Al-Dweila in Rural Damascus, increasing both health and economic burdens on residents.

In the alternative energy sector, field observations indicate clear spatial variation in the cost of operating private generator electricity (locally known as "Amperes") linked to economic conditions and pricing mechanisms in each area. In governorates under Transitional Government control, the cost per kilowatt-hour ranged between SYP 4000 and SYP 6000, influenced by rising fuel and operational costs within an environment trending toward energy price liberalization. In contrast, lower costs were recorded in Al-Hasakeh (Autonomous Administration), at approximately SYP 1400, reflecting relatively greater availability of local petroleum derivatives and the use of different subsidy mechanisms.

This variation is also linked to increases in electricity prices through the public grid, which began in the sixth billing cycle of 2025 and was subsequently reflected in the issuance of the first bills under the new tariff structure in January 2026. This led to a redistribution of energy costs within the price structure, with part of these costs being passed on to services either through reliance on solar energy systems or by embedding electricity costs into the prices of goods and services.

These findings indicate that the housing, water, electricity, gas, and other fuels group constitutes a primary component of inflationary pressures, due to the strong linkage between energy costs, housing rents, and daily services, and the resulting transmission of cost increases into overall price levels. Furthermore, variations in alternative energy costs across regions reflect continued differences in pricing systems, contributing to spatial disparities in price levels across governorates.

3.1.2. Food and Non-Alcoholic Beverages Group

The Syrian economic landscape in February 2026 witnessed a notable escalation in inflation rates associated with the food and non-alcoholic beverages group, which recorded a Month on month (M-o-M) increase of 5.9 per cent compared to January. This rise reflects the intensity of inflationary pressures that continue to weigh on consumer purchasing power, particularly with the onset of Ramadan and the associated increase in demand for food commodities.

A review of the subcomponents of this group reveals sharp disparities in price increases. The meat group accounted for the largest share of this inflationary wave, with an exceptional increase of 19.8 per cent. This surge was clearly reflected in the prices of key commodities: the price of lamb increased from SYP 149000 to SYP 171000 per kilogram, while chicken rose from SYP 29000 to SYP 39000 per kilogram. A decision by the National Committee for Import and Export under the General Secretariat of the Presidency to ban the import of live and frozen poultry contributed to this increase[2]. This was driven by several factors, including limited domestic supply due to rising production costs—stemming from higher energy prices[3], feed costs, and transportation expenses—as well as traders importing frozen poultry from Turkey and selling it as local after thawing and processing[4]. As for red meat, despite the availability of heavy rainfall and suitable grazing conditions, prices increased in tandem with the rise in white meat prices.

Prices of legumes and vegetables also rose significantly during February 2026. The price of tomatoes reached approximately SYP 10500 per kilogram, potatoes SYP 6300, eggplant SYP 10400, cucumbers SYP 13300, lettuce (per unit) SYP 3500, and parsley SYP 2000. Similarly, the fruit group recorded a high inflation rate of 9.6 per cent, with lemon prices reaching SYP 16700 per kilogram, apples SYP 17000, and bananas approximately SYP 13000.

Several factors collectively explain this price volatility in agricultural products. These include import restrictions on several items during February (such as potatoes, frozen potatoes, cabbage, cauliflower, carrots, oranges, lemons, fresh strawberries, and table eggs)[5], reduced domestic production due to climatic variability and irregular rainfall, and sharp increases in the costs of key agricultural inputs such as fertilizers, fuel, and water, in addition to rising logistics and transportation costs. The combined effect of these factors led to a steady increase in production costs for farmers, which was directly transmitted to final consumers, thereby exacerbating the cost-of-living crisis during the observation period.

Prices of other food-related groups also increased, though at lower rates compared to meat, legumes, vegetables, and fruits. The fish and seafood group rose by 6.8 per cent,

[2] Al-Ikhbariya. (2 February 2026). The National Committee for Import and Export Suspends the Import of Certain Agricultural Products.
[3] Syrian Arab News Agency. (11 February 2026). Rising Chicken Prices in Damascus Markets and Declining Demand.
[4] Based on an interview with a senior poultry trader in Rural Damascus, conducted on 20 February 2026.
[5] Same decision issued by the National Committee for Import and Export on 2 February 2026.

with the price of marine fish reaching approximately SYP 125000 per kilogram and river carp SYP 46000. The sugar and confectionery group increased by 4.8 per cent, with white sugar reaching around SYP 8500 per kilogram, pistachio-based “harissa” approximately SYP 75000, and fried sweets (Awama and Mashbak) about SYP 25000 per kilogram. The oils and fats group rose by 3.4 per cent, with the average price of vegetable oil reaching approximately SYP 23700 and olive oil around SYP 76000. In contrast, the bread and cereals group, as well as the milk, cheese, and eggs group, maintained relative price stability.

Table (2): Comparison of Selected Food Prices in January and February 2026 (in Syrian Pound)

#	Item	Unit	January 2026 Prices	February 2026 Prices	M-o-M Inflation
1	Subsidized unified bread	1 kg	4080	4150	1.7%
2	Unsubsidized rice	1 kg	12100	12050	-0.4%
3	Lamb	1 kg	149500	151400	1.3%
4	Chicken	1 kg	29400	37800	28.6%
5	Tuna	160 g	13000	13200	1.5%
6	Eggs	30 units	35200	32800	-6.8%
7	Vegetable oil	1 kg	23000	23700	3.0%
8	Lemon	1 kg	13900	16700	20.1%
9	Apples	1 kg	15400	16900	9.7%
10	Fresh tomatoes	1 kg	9300	10500	12.9%
11	Potatoes	1 kg	6000	6300	5.0%
12	Eggplant	1 kg	8500	10400	22.4%
13	Cucumbers	1 kg	10500	13300	26.7%
14	Sugar (unsubsidized)	1 kg	8900	8600	-3.4%
15	Parsley	1 bunch	1500	2000	33.3%
16	Fried sweets (Awama/Mashbak)	1 kg	24600	25500	3.7%
17	Black tea	1 kg	126700	135900	7.3%
18	Brazilian coffee	1 kg	139900	140200	0.2%

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

3.1.3. Transport Group

The transport group recorded an increase in its price index of 5.7 per cent in February 2026 compared to the previous month. The official price of gasoline reached approximately SYP 9675 per liter, up from SYP 9050 in January. This reflects the government's use of a higher-than-market exchange rate when pricing gasoline and diesel at fuel stations. Taxi fares within cities (for a distance of 3 km) also increased to around SYP 23000, compared to SYP 20300 in the previous month.

The most significant increases in transport prices were recorded in Ar-Raqqa and Deir-Ezzor. Following their integration into the Transitional Government administration, subsidies on basic commodities such as gasoline, diesel, gas, and bread were removed, and informal refining activities (burners) were banned. As a result, the transport price index increased by 40.4 per cent in Ar-Raqqa and 38.8 per cent in Deir-Ezzor. Gasoline prices reached approximately SYP 10000 per liter in Ar-Raqqa and SYP 11000 in Deir-Ezzor, while diesel prices reached SYP 8800 and SYP 9400 respectively. These figures indicate a significant inflationary shock in both governorates linked to recent political transitions.

3.1.4. Health Group

The health group experienced notable inflationary pressures in February 2026, with its price index increasing by 5.8 per cent compared to the previous month. This rise reflects a widening gap between the operational costs of medical services and the financial capacity of households, posing serious challenges to sustained access to essential healthcare.

At the level of professional medical services, consultation fees showed variation reflecting specialization and demand. The average cost of a specialist consultation (cardiology with echocardiography) reached approximately SYP 88000, compared to around SYP 55000 for a general practitioner. Dental services also recorded a sharp increase, with comprehensive dental treatment (including drilling, root canal, and filling) reaching approximately SYP 355000.

At the institutional level, hospitalization costs in private hospitals continued to rise, with the cost of a single night's stay reaching around SYP 660000 (accommodation only, excluding medications and surgical procedures). In contrast, public hospitals affiliated with the Ministry of Health and the Ministry of Higher Education require patients' families to provide essential medical supplies—from basic items such as adhesive materials and intravenous fluids to surgical equipment[6]. This increase coincided with a steady rise in the prices of essential pharmaceutical goods, with paracetamol reaching SYP 5000 per pack and antibiotics approximately SYP 15500, highlighting the growing challenges of accessing healthcare under current economic conditions.

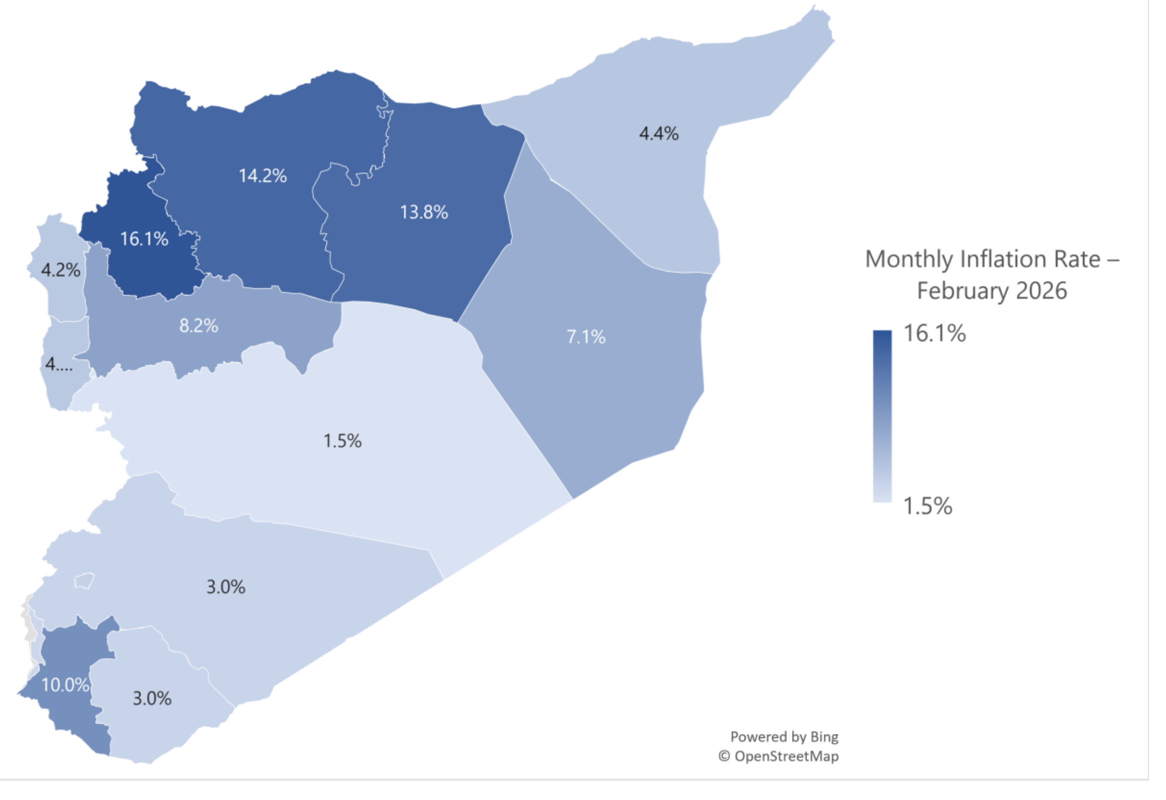
[6] Based on an interview with a physician at the National Hospital in Damascus, conducted on 25 February 2026.

3.2. Inflation by Governorate

The inflation map across Syrian governorates in February 2026 reflects a pronounced spatial divergence in price performance, highlighting structural gaps driven by rapid political and administrative transformations in north-eastern and north-western Syria. The governorates of Ar-Raqqa, Deir-Ezzor, and Al-Hasakeh recorded elevated inflation rates ranging between 4.4 per cent and 13.8 per cent. The increase observed in north-eastern Syria can be primarily attributed to the integration of Ar-Raqqa and Deir-Ezzor into the framework of the Syrian Interim Government (SIG), followed by a fundamental shift from the subsidised distribution system previously administered under the Autonomous Administration (AA) to a liberalised pricing regime for strategic goods and essential services.

This structural transition generated immediate and severe inflationary shocks, as purchasing power was directly affected by the repricing of bread, electricity, gas, diesel, and gasoline according to liberalised administrative prices. Consequently, this resulted in sharp and sudden increases in both living and production costs within these areas.

Figure (3): Month on month (M-o-M) Inflation of Consumer Prices by Governorate in Syria – February 2026 (in per cent)



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

Price developments during February 2026 reflect a geographically uneven inflationary pattern, shaped by the interaction of structural and seasonal factors within a fragmented economic environment. Seasonal factors—particularly the onset of Ramadan and a cold wave—contributed to increased consumer demand for food commodities and daily services, leading to inflation rates exceeding 10 per cent in governorates such as Aleppo, Idleb, Aleppo countryside, and Dara'a. In contrast, Damascus, Rural Damascus, As-Sweida, Quneitra, and Tartous exhibited more stable trends, with lower average inflation rates, reflecting differences in the resilience of local markets and their capacity to absorb shocks.

In governorates under Transitional Government control, price increases were driven by rising transportation and energy costs, alongside the influence of wholesale markets (central markets) as a key price determinant. These pressures were further exacerbated by the gas shortage crisis, which directly affected market dynamics. This was reflected in the expansion of informal markets and rising prices of gas cylinders, leading to increased costs for services, ready-made meals, and small-scale productive activities. In northwest Syria—particularly in Idleb and Aleppo countryside, where the Turkish Lira (TL) is widely used—price dynamics were further influenced by exchange rate volatility and the coexistence of multiple currencies, in addition to the fuel crisis. These factors contributed to higher production and service costs and amplified the transmission of shocks to essential goods prices. In densely populated or economically vulnerable governorates, such as Aleppo and Dara'a, inflationary pressures were more acute due to heightened sensitivity to energy costs and supply constraints, which was reflected in household behavior through reduced consumption and prioritization of essential goods.

In northeast Syria, price dynamics were closely linked to the restructuring of institutional frameworks, the energy sector, and supply chains. The suspension of informal oil refining activities and the imposition of unified pricing mechanisms led to higher fuel costs, which subsequently transmitted to transport, services, and final goods. These transformations coincided with weakened purchasing power and structural imbalances in labor and income markets, limiting demand responsiveness despite the continued availability of goods. Overall, these patterns suggest that inflation during this period reflects the interaction of institutional–energy shocks, monetary factors related to currency plurality, and conventional market dynamics, within a context marked by clear spatial disparities and varying degrees of livelihood vulnerability.

4. Price Variance across Governorates and Monetary Spaces

Based on the February 2026 price survey, spatial price disparities across Syrian governorates can be interpreted within a more complex framework compared to January, as seasonal factors (notably Ramadan), administrative transformations (the full integration of Deir-Ezzor and Ar-Raqqa into the Transitional Government), and the continued coexistence of multiple monetary systems interacted to reshape the geography of price variation.

Data indicate that tradable goods exhibited a relative tendency toward greater price convergence across governorates compared to previous months, driven by the continued unification of border crossings and customs duties. This trend is particularly evident in staple food commodities such as rice, sugar, and oils, where price gaps between governorates like Damascus, Aleppo, Homs, and Hama have narrowed. This convergence has also partially extended to Idleb and Aleppo countryside, despite the continued influence of currency differences. Nevertheless, some disparities persist due to transportation costs and distribution margins, especially in peripheral governorates.

In contrast, non-tradable services emerged as a primary source of price divergence during February, as their pricing dynamics became directly linked to rising local operating costs, particularly electricity. The issuance of the first electricity bill under the new tariff structure on 15 January 2026 marked a turning point, accompanied by social protests that did not lead to policy revisions. With the onset of Ramadan, expectations of continued high electricity prices became entrenched, prompting service providers to reprice their services accordingly. At the same time, as a large share of households reduced or ceased bill payments, electricity costs were increasingly transferred indirectly into service prices rather than absorbed through formal payment channels.

This was reflected in notable increases in housing rents and personal service fees—such as hairdressing and personal care—as well as in non-tertiary education services, including private schooling and tutoring, where energy costs were incorporated into pricing structures. This effect was more pronounced in densely populated and high-demand governorates such as Damascus and Rural Damascus, where a larger share of cost burdens was passed on to end consumers compared to areas with lower purchasing power. These developments indicate that service prices, by virtue of their local nature, have become increasingly sensitive to internal cost shocks—particularly energy—thereby widening the gap between them and tradable goods during the period under review.

At the level of commodity groups, the food and non-alcoholic beverages group exhibited moderate variation, with seasonal increases observed during Ramadan. However, these increases were more homogeneous across governorates compared to earlier periods, reflecting improved commodity flows and reduced constraints at border crossings. Nonetheless, price differences remain more evident in fresh products, with distinct patterns across components. Vegetable prices tend to be lower in production-adjacent governorates such as Lattakia and Tartous, while higher levels are observed in Damascus and Rural Damascus due to transportation costs and strong demand. In the case of meat, relatively lower prices are observed in eastern regions—particularly Deir-Ezzor and Ar-Raqqa—as well as in some central governorates such as Hama and Homs, reflecting relatively greater availability of livestock. By contrast, Damascus and its surroundings record higher price levels, illustrating differences in pricing determinants across fresh food components and variations in supply-demand dynamics between governorates.

Within the transport group, disparities continued to be driven by fuel prices, with a relative decline in the impact of the shock experienced in Deir-Ezzor and Ar-Raqqa in the previous month. However, price levels remained relatively higher compared to other governorates due to ongoing adjustment costs associated with administrative transformations. Al-Hasakeh continued to follow its distinct pattern, shaped by local subsidy policies on one hand and exchange rate fluctuations on the other.

As for durable goods, such as household equipment, high levels of variation persisted across governorates. Prices in Idleb and Aleppo countryside remain closely linked to the Turkish market, while in Al-Hasakeh they are influenced by trade with the Kurdistan Region, in contrast to other governorates operating primarily in Syrian Pound (SYP). This has maintained clear price gaps within this category.

Overall, February 2026 data point to a dual pattern: relative convergence in the prices of tradable goods alongside continued high variation in services and durable goods. This convergence in tradables is linked to trade policy shifts following the liberalization of imports, which was later accompanied by the unification of customs duties in areas under Transitional Government control.

In contrast, non-tradable services and durable goods continue to exhibit greater variation, as their prices remain governed by local factors such as operating costs (particularly energy), income levels, local demand, and differences in monetary frameworks across regions. Durable goods, in particular, remain subject to heterogeneous import channels and multiple currencies (Syrian Pound, Turkish Lira, and USD-based pricing in some areas), thereby sustaining clear price differentials across governorates.

This pattern indicates that trade liberalization and import opening have contributed to price convergence for tradable goods, without extending this effect to the broader consumption basket. As a result, the price structure in Syria remains characterized by market fragmentation, where partial integration coexists with persistent institutional and monetary disparities across governorates.

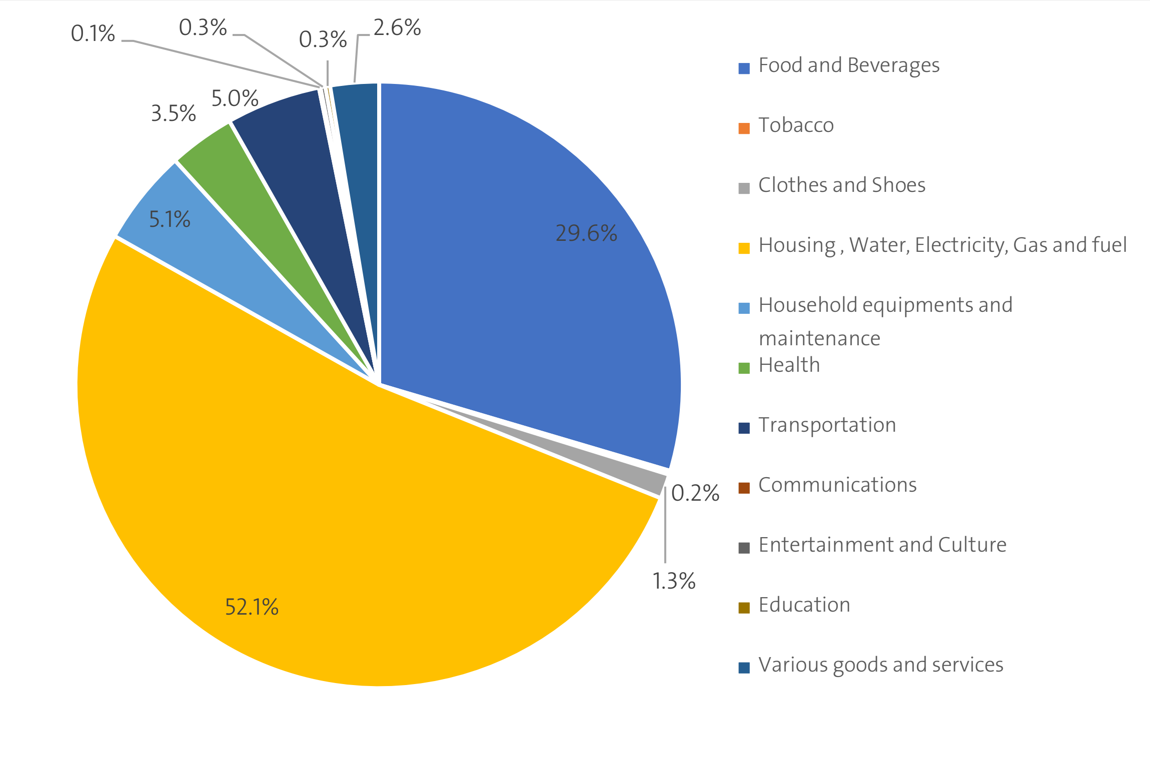
5. Contributors to Inflation

An analysis of contributions to month on month (M-o-M) inflation in February 2026 shows that national price pressures (6.5 per cent) were primarily concentrated in two main groups: housing, water and fuels, which accounted for 52 per cent, and food and non-alcoholic beverages, which contributed 30 per cent, with secondary contributions from transport and furnishings and household equipment.

This pattern can be partially explained by the specificity of the month of Ramadan, during which seasonal demand for food items increases, thereby amplifying the contribution of the food group to inflation. However, the dominant weight remained with the housing and energy group, reflecting the transmission of shocks related to basic service and energy costs into the overall price level.

In contrast, the contributions of groups such as education and communications remained limited at the aggregate level, indicating that inflation during this month was primarily driven by direct cost-of-living factors.

Figure (4): Contribution of Major Consumption Groups to Month on month (M-o-M) Inflation Rate – February 2026 (in per cent)



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

At the spatial level, a sharp divergence in inflation drivers across governorates is evident. In areas under Transitional Government control—particularly Damascus and Rural Damascus—food and non-alcoholic beverages played a central role (44 per cent and 66 per cent, respectively), influenced by increased food consumption during Ramadan. Meanwhile, the housing and energy group maintained a dominant role in coastal and central governorates such as Tartous (79 per cent), Hama (47 per cent), and Homs (52 per cent). In the southern region, As-Sweida and Dara'a exhibited a higher weight for food

(74 per cent and 24 per cent), alongside notable contributions from transport and services, indicating that these areas are more sensitive to food demand shocks than to energy-related shocks.

The dominance of housing, energy, and food in inflation contributions suggests that the current inflation structure is characterized more by cost-of-living inflation than by aggregate demand expansion. This structure reflects the transmission of repricing effects and administrative transformations including adjustments in energy prices and shifts in pricing systems across regions into final consumer prices. In this context, households bear the burden of these changes through rising daily living costs, while any potential gains from improved market integration or institutional harmonization appear to have had only a limited mitigating effect during the period under review.

In contrast, northeast and northwest Syria exhibit distinct inflationary patterns linked to institutional and policy transformations. In Ar-Raqqa and Deir-Ezzor, where subsidies on basic goods were lifted following integration into the Transitional Government, the housing and energy group emerged as the primary driver of inflation (77 per cent and 52 per cent), alongside significant contributions from transport (17 per cent and 19 per cent), reflecting a direct transmission of price liberalization shocks to consumers. In Idleb and Aleppo, the highest inflation rates were recorded (13.7 per cent and 14.1 per cent), driven almost entirely by the housing and energy group (52 per cent and 89 per cent), while the contribution of education remained weak or negative. This aligns with the reduction of university tuition fees and sectoral integration, which limited its inflationary impact.

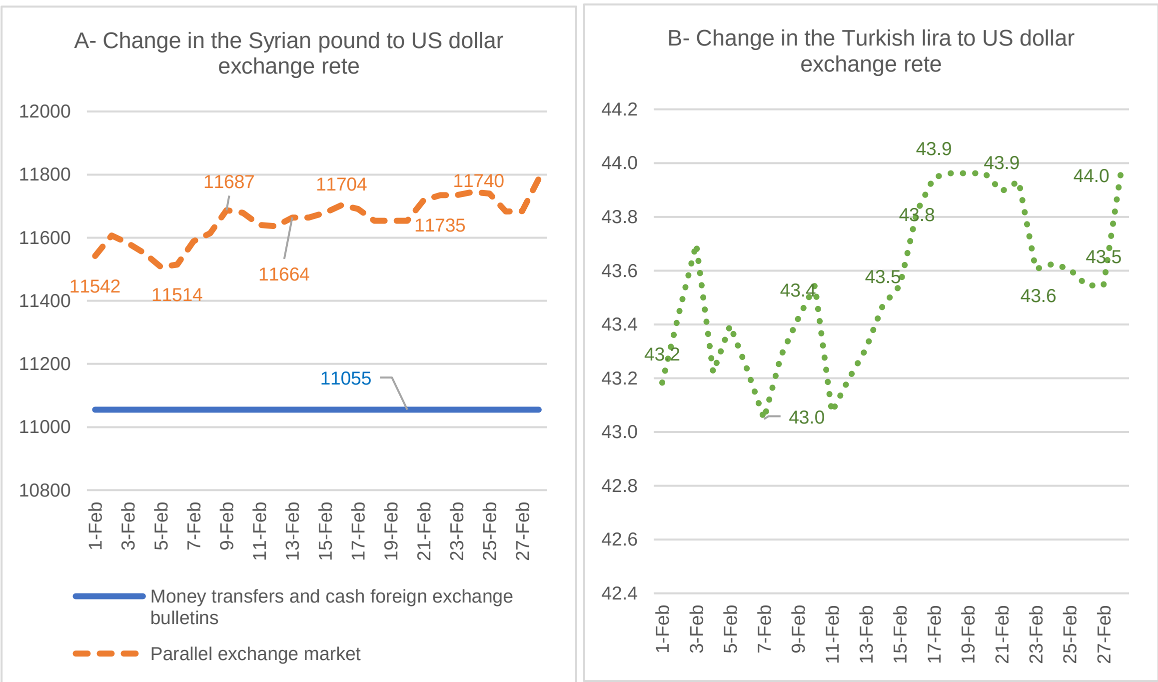
Overall, inflation in February 2026 reflects the interaction between seasonal demand shocks (Ramadan) and structural transformations in subsidies and public policies, leading to a redistribution of the relative weights of inflation-driving groups across governorates.

6. Exchange Rate Changes

The Central Bank of Syria continued to fix the official exchange rate (for remittances and currency exchange) at SYP 11055 per USD for the ninth consecutive month, despite noticeable fluctuations in the parallel market, where the exchange rate ranged between SYP 11507 and SYP 11786 per USD. Despite this volatility, the Syrian Pound (SYP) recorded an appreciation of 1.7 per cent during February, with the average exchange rate improving to SYP 11655 compared to SYP 11773 in January. The informal market remains the most realistic indicator of the currency's value, which the government implicitly adopts by 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 exchange rate trend during February 2026, reflecting increasing depreciation. Its value declined from approximately TL 43.2 per USD at the beginning of the month to TL 44 per USD by the end, representing a 1.5 per cent depreciation in February compared to January 2026 on a monthly average basis.

Figure (5): Exchange rate changes of the Syrian Pound and Turkish Lira against the United States Dollar during February 2026



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

7. Wages in Syria, February 2026

The average monthly wage of a university employee in the public sector (at entry level) in Syria reached approximately SYP 1.13 million in February 2026. The average monthly wage in the private sector stood at SYP 1.32 million, while employees in the civil sector recorded an average monthly wage 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 operating with the Syrian Pound (SYP) under Transitional Government control. These differences are driven by factors unrelated to labor productivity, thereby reinforcing economic and geographic segmentation among the population. Variations in wage levels across sectors are also evident, with both public and private sector wages remaining significantly lower than those in the civil sector[7]. In this context, unskilled labor (daily wage workers) remains the most affected group by economic pressures across all regions and governorates.

Table (3): Average Monthly Wages in Syria during February 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	5571983	3090000	**3319793**
Employee Wage (University Grad)	935000	2341823	1060000	**1132451**
Employee Wage (Basic education)	859028	1379503	1040000	**942593**
B- Private sector workers				
Company Manager Wage	4150752	6331659	4920000	**4507864**
Shop Worker Wage	1285011	1769170	1240000	**1324293**
C- Civil sector workers				
Employee Wage (University Grad)	2754353	5200926	3608000	**3106683**

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.

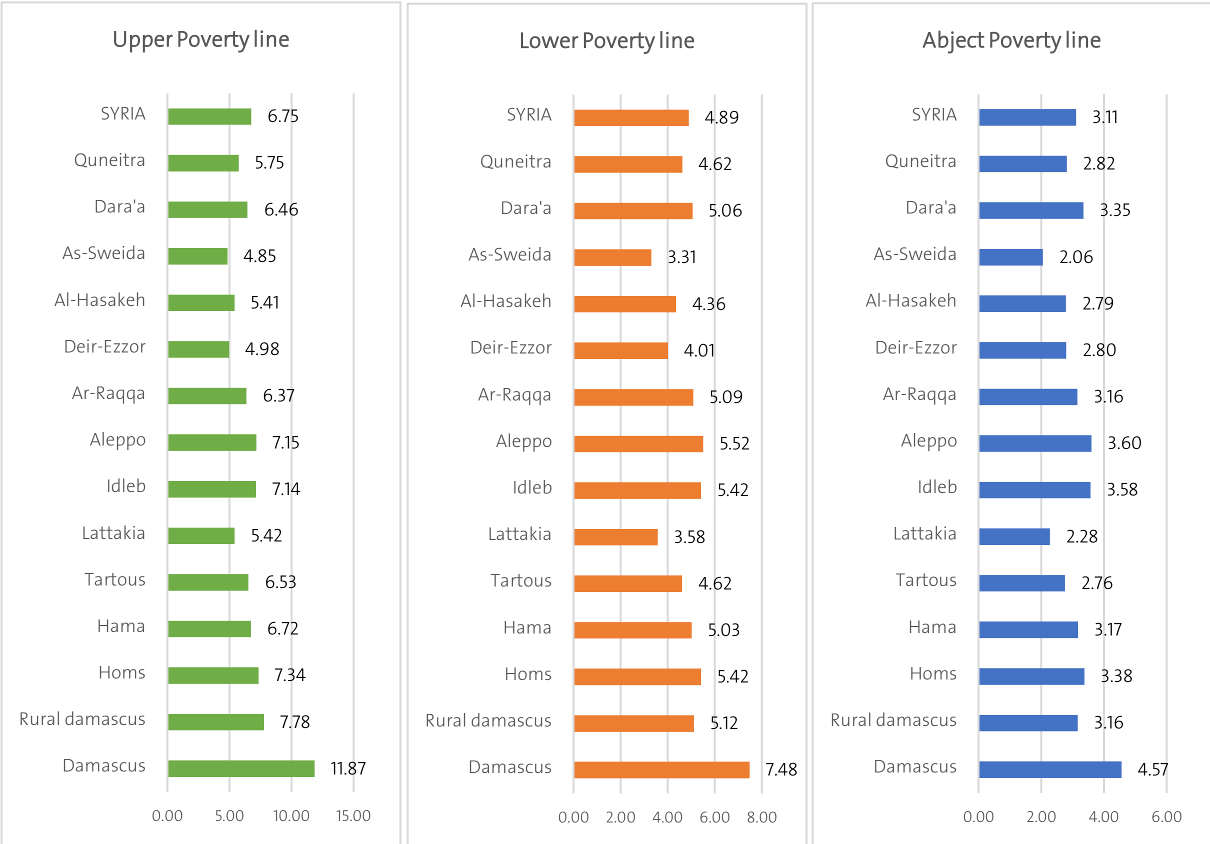
[7] It should be noted that wages of civil sector employees in areas formerly under the control of the Government of Syrian regime (GoS), despite being relatively higher than those in the public and private sectors, remain significantly low at the regional level. They amount to only 76 per cent of their counterparts in Autonomous Administration (AA) areas and 53 per cent of those in Transitional Government Areas operating with the Turkish Lira (TL-GA), as of February 2026.

8. Poverty Lines in Syria, February 2026

The abject overty line for a household[8] (an indicator of food deprivation) at the national level in Syria reached SYP 3.11 million per month in February 2026. The lower poverty line stood at SYP 4.89 million, while the upper poverty line reached SYP 6.75 million.

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

Figure (6): Monthly Poverty Lines in Syria during February 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 63.6 per cent of the abject overty line, and this gap widens to more than 83 per cent when compared to the upper poverty line. Similarly, private sector wages cover less than 56.4 per cent of the abject overty 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 36.4 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 overty, 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 strong resilience, with wages covering 99.9 per cent of the abject overty line. This indicates that access to external funding constitutes a key determinant of economic survival in the Syrian context.

Table (4): Coverage of Average Monthly Wages for Poverty Lines in Syria during February 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)	31.0	68.3	34.3	36.4
Private Sector Worker	42.5	51.6	40.1	42.6
Civil Sector Employee	91.2	151.7	116.8	99.9
B- Wage Coverage of Lower Poverty Line				
Public Employee (Uni Grad)	19.6	44.8	22.4	23.1
Private Sector Worker	26.9	33.9	26.2	27.1
Civil Sector Employee	57.7	99.6	76.2	63.5
C- Wage Coverage of Upper Poverty Line				
Public Employee (Uni Grad)	14.1	34.3	18.0	16.8
Private Sector Worker	19.4	25.9	21.0	19.6
Civil Sector Employee	41.7	76.2	61.2	46.0

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

9. Conclusion

The results for February 2026 indicate that inflation in Syria is being driven by a clear and sequential process of price transmission linked to structural policy shifts. The findings clearly reveal a sequence of price transmission effects stemming from the structural shift in the pricing system following the reassertion of control over Ar-Raqqa and Deir-Ezzor, and the liberalization of energy and essential commodity prices, which coincided with the continuation of liquidity-tightening policies. These increases gradually transmitted to the transport, agricultural and food production, and daily services sectors, reflecting the interconnected nature of pricing chains within the local economy and confirming that inflation is being propagated across sectors rather than confined to isolated markets. At the same time, additional factors—such as restrictions on the import of certain food items and increased demand during Ramadan—further intensified price pressures, reinforcing both supply-side and demand-side drivers of inflation.

This pattern is further reflected in the structure of price variation across sectors and regions. On another front, price variance in February 2026 reflects a greater relative convergence in the prices of tradable goods, contrasted with continued and more pronounced divergence in local services and durable goods, highlighting the differentiated nature of inflation across the economy. 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 plays a central role in shaping price dynamics. This dynamic unfolds in a context characterized by low income levels, leading to a concentration of impact on the most vulnerable groups, including pensioners, internally displaced persons, the unemployed, daily wage workers, and residents of governorates that experienced administrative transitions, thereby amplifying the social consequences of inflation.

Taken together, these dynamics point to deeper structural imbalances in the economy. In conclusion, the indicators point to the persistence of structural imbalances in income distribution, suggesting that inflation is closely linked to 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, which underscores the limited capacity of households to cope with rising prices.

In light of these findings, policy responses must address the structural roots of inflation rather than its symptoms. Based on the findings of the bulletin, several priority policy areas emerge:

1. Reconsider the decision to increase electricity tariffs: The new tariff structure places an excessive burden on citizens, particularly low-income households, as there is a complete inability to cover electricity costs under the current pricing, indicating that current tariff policies are socially unsustainable. A reversal of this decision is necessary given its severe social implications.
2. Reassess the liberalization of essential commodity prices (bread and fuel), and strengthen subsidies for education and health services, as the current approach amplifies cost-of-living pressures on households and weakens access to essential services.

3. Re-evaluate the contractionary impact of liquidity-tightening policies on GDP, and adopt a calibrated approach that improves liquidity flows to households and producers without stimulating speculative behavior, in order to balance macroeconomic stability with economic recovery.
4. Adopt transitional pricing mechanisms in Northeast Syria to mitigate sudden shocks in essential goods such as bread, energy, and transport, thereby reducing the impact of abrupt policy shifts on vulnerable populations.
5. Phase out the use of the Turkish Lira (TL) in Northwest Syria and re-establish the national currency as the primary medium of exchange, as currency fragmentation contributes to price instability and market segmentation.
6. Implement comprehensive national social protection policies directly linked to food and energy needs, in order to shield vulnerable groups from the effects of inflation and ensure minimum living standards.
7. Address the wage–poverty gap through substantive adjustments in income levels, as current wage structures are insufficient to meet basic needs and contribute to the persistence of poverty under inflationary conditions.

10. References and Sources

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Annexes

Annex (1): Consumer Price Index in Syria by Major Consumption Groups and Governorate in February 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	**1,304**	**1,038**	**1,287**	**1,067**	**1,087**	**942**	**826**	**1,134**	**854**	**836**	**875**	**989**	**947**	**1,060**	**895**
Food and non-alcoholic beverages	756	708	753	763	690	695	761	727	699	885	765	645	684	734	673
Tobacco	709	785	610	526	548	556	555	713	453	531	614	710	491	522	598
Clothing and Shoes	612	600	631	751	725	700	733	828	394	586	926	775	521	505	632
Housing, water, electricity, gas, and other fuels	2,233	2,008	2,705	2,145	2,098	1,887	1,240	1,754	1,628	970	1,152	2,107	2,121	2,036	1,576
Household equipment and maintenance	749	616	601	1,041	471	458	680	661	570	577	1,208	484	708	542	600
Health	865	875	908	805	808	698	613	1,009	824	814	887	968	1,155	701	825
Transportation	1,201	1,138	1,204	1,237	1,200	1,141	485	793	1,011	902	993	984	659	1,410	863
Communications	330	329	330	330	328	327	48	341	330	333	332	341	331	331	203
Culture and entertainment	423	625	483	358	397	460	522	628	742	591	478	453	413	311	472
Education	797	902	1,110	904	1,148	824	1,226	1,000	1,011	819	1,075	914	982	1,057	864
Various goods and services	810	892	1,041	805	906	595	826	838	837	815	846	1,003	884	1,269	846

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

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.

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