



WFP/Hussam Al Saleh

Highlights

- In February 2024, the reference food basket for a family of five stood at SYP 987,005, nearly doubling within the calendar year, while income levels increased by 50 percent. However, this increase remained relatively low, with the minimum wage at SYP 278,910, covering only 28 percent of the food basket.
- The cost of living, measured by the Minimum Expenditure Basket (MEB), rose by four percent to reach SYP 2,696,877 in February 2024 for a family of five. This represents more than a doubling compared to the same time last year (a 104 percent increase) and quadrupling over just two years. The decline in living standards in 2023 extended into 2024, primarily due to currency devaluations, fuel shortages, ongoing regional conflict, and the continued fall of the Syrian pound, which is likely to worsen already strained living conditions.
- During March 2024, the local currency traded at an average of SYP 14,104 per dollar on the parallel market. While showing some stability within March, the Syrian pound lost nearly 46 percent of its value on the parallel market over the year, depreciating by 72 percent over two years, and 92 percent over four years.
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Standard Food Basket¹

In February 2024, the standard reference food basket cost for a family of five slightly increased from the previous month, pegged at SYP 987,005. This represented nearly double the cost compared to the same time last year. However, despite the minimum wage increasing by 50 percent in February 2024 to reach SYP 278,910, it remained low, covering only 28 percent of the basket's cost.

The rise in costs was primarily due to inflationary pressures caused by a weakened currency, which experienced a 48 percent loss in value over the calendar of year on the parallel market. Additionally, high fuel prices worsened by shortages and related cuts in fuel subsidies contributed to economic challenges. On the other hand, the reduction in subsidies for bread increased the price of it by 100 percent in the first week of February. This bread price increase made it harder for poor families to rely on cheap food sources. Also, the regional conflict and community-level shocks are likely to disrupt lives and livelihoods, further impacting food prices in the upcoming months.

At the governorate level, Ar-Raqqa had the highest annual percentage increase for the food basket at 107 percent, followed by Tartous at 105 percent and Deir-ez-Zor at 104 percent (figure 1). The main inflationary pressure on the food basket was caused by the increase in sugar and lentils by 118 percent, as well as rice by 108 percent over the course of one year. On the other hand, the gap between the highest and lowest average food basket prices across the governorates increased by 17 percent, reflecting some level of convergence in market conditions across the governorates.

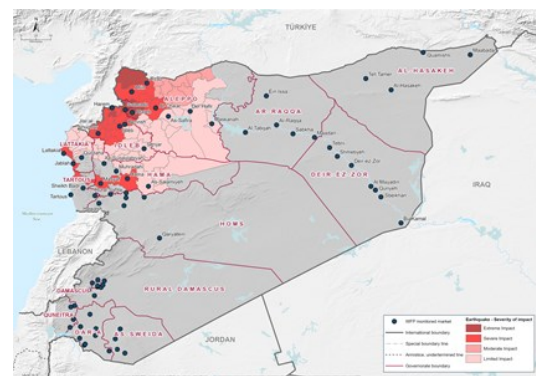
Figure 1: Food basket cost and changes, SYP

Governorate	February 2024	1 month change	6 months changes	12 months changes
Dar'a	1,129,604	3%	20%	97%
As-Sweida	1,105,011	4%	24%	99%
Damascus	1,091,819	5%	19%	98%
Rural Damascus	1,085,776	4%	16%	91%
Tartous	1,073,184	5%	20%	105%
Lattakia	1,066,730	6%	28%	95%
Quneitra	1,065,861	5%	14%	101%
Hama	1,059,641	3%	18%	98%
Homs	1,024,348	5%	20%	90%
Aleppo	941,136	5%	11%	97%
Ar-Raqqa	853,766	4%	19%	107%
Deir-ez-Zor	833,430	3%	31%	104%
Idlib	800,643	-2%	16%	97%
Al-Hasakeh	788,664	-4%	11%	99%
Average	987,005	3%	19%	97%

Chart 1: National min., max. and mean food basket cost SYP



Map 1: Location of markets monitored by WFP, including earthquake affected areas.

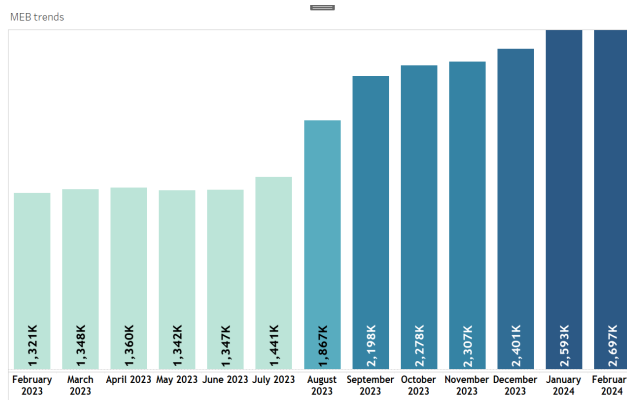


¹ The standard food basket is a group of essential food commodities. In Syria, the food basket is set at a group of dry goods providing 2,060 kcal a day for a family of five during a month. The basket includes 37 kg bread, 19 kg rice, 19 kg lentils, 5 kg of sugar, and 7 liters of vegetable oil.

Minimum Expenditure Basket (MEB)²

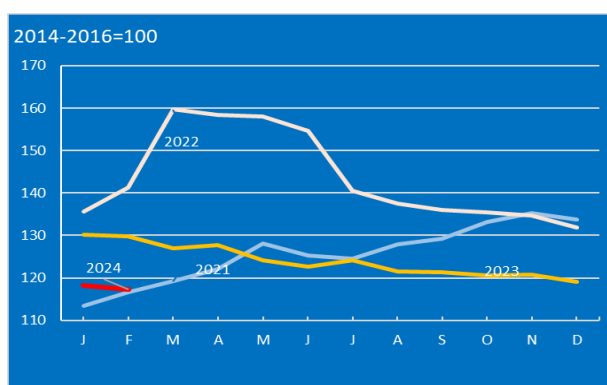
- During February 2024, the cost of living, measured by the Minimum Expenditure Basket (MEB), increased by four percent to reach SYP 2,696,877 for a family of five. This marked more than a doubling compared to the same time last year, representing a 104 percent increase, and quadrupling over just two years. The major pressure on the cost of living in January and February was caused by the reduction of subsidies on fuel and bread. Despite the minimum wage increasing by 50 percent to reach SYP 278,910, it is still only able to cover 10 percent of the MEB.
- The food component prices of the MEB were 118 percent higher in February 2024 than a year earlier, leading households to adjust their consumption behavior and resort to significant coping strategies, as the minimum wage, SYP 278,910, could only afford 16 percent of the food component of the MEB.
- Global food prices in 2024 continued to decrease compared to 2023, as measured by the FAO Food Price Index, with the February 2024 index being 1 percent lower than the previous month. However, the weaker Syrian pound limited such gains for Syrian food importers. The year-on-year increase in the food component was mainly pressured by a significant increase in the prices of chickpeas (up 264%), potatoes (up 232%), apples (up 186%), beans (up 180%), iodized salt (up 179%), eggplants (up 163%), tomatoes (up 150%), eggs (up 147%), lentils, and sugar (up 118%).
- Living standards in February 2024 continued to decline due to several interconnected factors, including frequent currency devaluations, shortages in fuel supply, reductions in energy and food subsidies, increases in communication and electricity bills, and the repercussions of an earthquake.

Chart 2: MEB Trend in Syria , SYP



Source: Damascus Cash Working Group

Chart 3: FAO Food Price Index (2021 –2024)

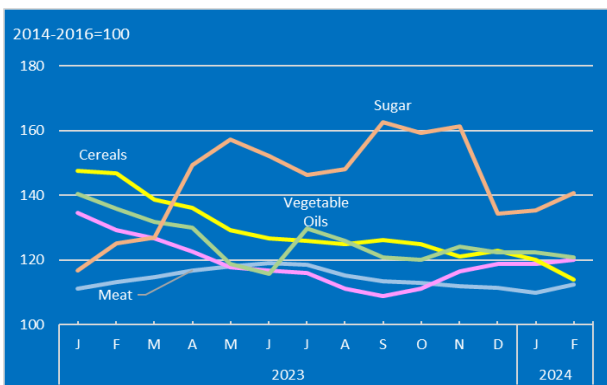


Source: FAO

Global food prices, freight costs, and inflation trends

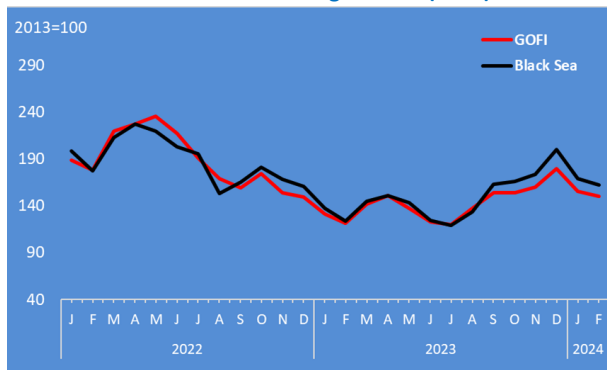
- In February 2024, the FAO Food Price Index, a measure of the monthly change in international prices of a basket of food commodities, averaged 117.3 points, marking a 1 percent decline from the previous month. This drop, a welcome relief for food deficit countries, was driven by declines in the price indices for vegetable oil and cereals, which offset increases in meat, sugar, and dairy.
- The FAO Cereal Price Index in February 2024 decreased by 5 percent compared to the preceding month due to plentiful harvests and competitive pricing. Maize export prices notably decreased, buoyed by positive forecasts in South America and attractive offers from Ukraine. Wheat prices were also affected by robust Russian exports, impacting global prices. Similarly, barley, sorghum, and rice prices followed suit with this downward trend.
- In February 2024, the global freight costs for grains and oilseeds, measured by the Grains and Oils Freight Index (GOFI), continued to decrease for the second consecutive month, averaging 150 points, down by 3 percent compared to the previous month. Additionally, the Black Sea Freight sub-index also decreased by 4 percent compared to the last month.
- Egypt's food inflation, while still elevated, increased to 50.9 percent in February 2024, which is 6 percent higher compared to the previous month. Türkiye observed a 1 percentage point decrease in food inflation in February 2024 compared to the last month, reaching 70.41 percent. Ukraine experienced a second consecutive fall in food inflation to 2.6 percent in February, down from 3.7 percent the previous month. Meanwhile, Russia witnessed a slight decrease of 0.25 percent in food inflation, reaching 8.08 percent in February 2023.

Chart 4: FAO Food Commodity Price Indices (2023 –2024)



Source: FAO

Chart 5: Grain and Oilseeds Freight index (GOFI)



Source: IGC GOFI

² A Minimum Expenditure Basket (MEB) is defined as what a household requires to meet essential needs, conceptually equivalent to a poverty line. It includes the cost of food, utilities, services and re-sources required monthly. For Syria, it was developed through an interagency collaborative process under the Humanitarian Country Team Cash Working Group (HCT-CWG). ³<https://www.fao.org/worldfoodsituation/foodpricesindex/en/>; ⁴ <https://www.igc.int/en/markets/marketinfo-freight.aspx>; ⁵ Trading Economics "Inflation Rate"

Retail prices for key commodities

Wheat Flour

In February 2024, wheat flour prices continued to increase, rising by 4 percent on average at the national level compared to the previous month, averaging at SYP 9,557 per kg. This marked a significant 65 percent increase within one year. Over three years, the price of wheat has surged sixfold.

In regional terms, the southern areas continued to report the highest average retail price at SYP 10,432 per kg, representing a 59 percent increase compared to the same month last year. Conversely, the NWS region remained at the lowest price level at SYP 8,704 per kg, still showing a substantial 102 percent year-on-year increase.

Rice

In February 2024, the cost of Egyptian white rice averaged SYP 16,546 per kg, marking a one percent decrease compared to the preceding month. However, it more than doubled, experiencing a 108 percent increase within the span of 12 months, and increased nearly ninefold over the course of three years.

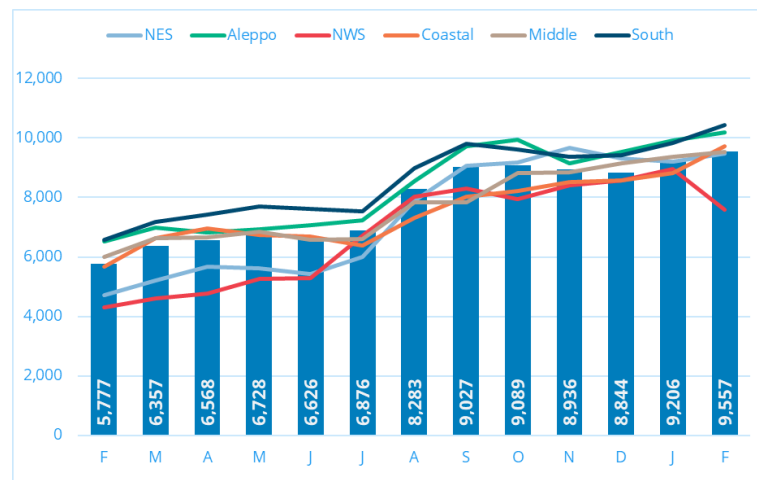
Regionally, the northeastern areas recorded the highest yearly percentage increase, surpassing 132 percent, while the middle areas had the lowest percentage increase at 100 percent.

Chicken and eggs

In February 2024, the national average price of plucked chicken, poultry meat, decreased to SYP 40,494 per kg, marking a 6 percent decrease from the previous month. However, over the last 12 months, the price increased by 109 percent. At the regional level, the Southern areas continued to report the highest nominal prices at SYP 45,394 per kg, while the North Eastern areas had relatively lower prices at SYP 35,365 per kg, still reflecting an increase of 129 percent compared to a year earlier.

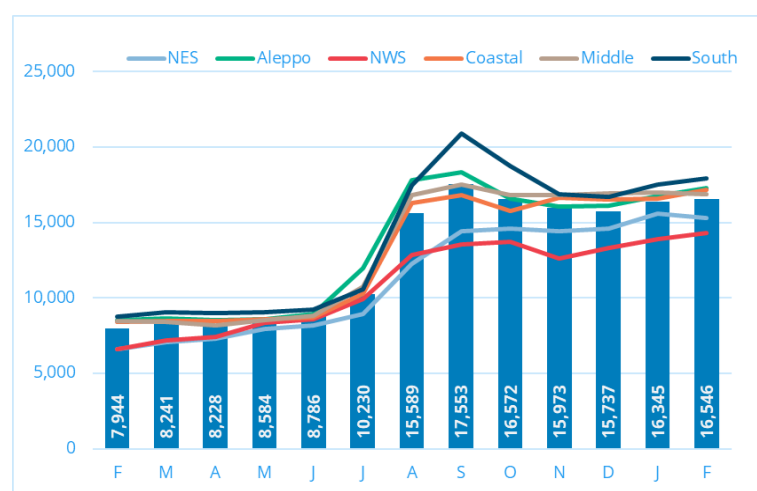
In a related context, the price of a carton containing 30 eggs also decreased by eight percent month-on-month, reaching SYP 52,503. However, within a one-year span, this price more than doubled, increasing by 147 percent.

Chart 6: Retail Prices of Wheat flour, SYP



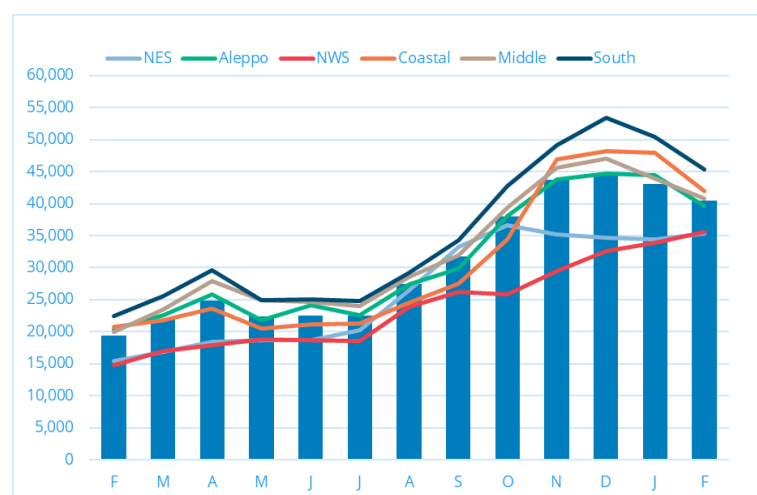
Source: WFP

Chart 7: Retail Prices of rice, SYP



Source: WFP

Chart 8: Retail Prices of Chicken, SYP



Source: WFP

Exchange rate⁶

Since the beginning of 2024, the Syrian pound has continued to maintain a relatively weak position, although it has shown some level of stability on the parallel market. Meanwhile, the official exchange rate has remained unchanged at SYP 12,562 per dollar since the last devaluation in December 2023.

During March 2024, the local currency was traded at an average of SYP 14,104 per dollar on the parallel market. Over the course of the year, the Syrian pound has lost nearly 48 percent of its value on the parallel market, and over two years, it has depreciated by 72 percent. In four years, the local currency has lost 92 percent of its value.

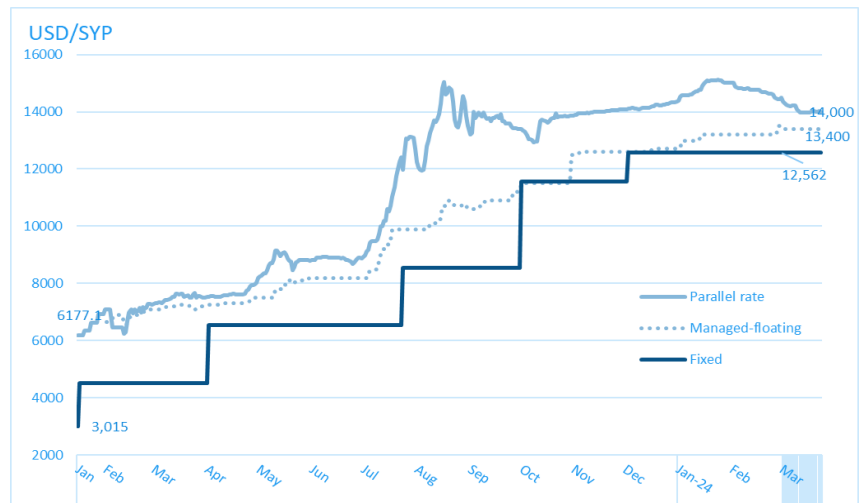
Given that Syria imports a significant amount of food, the country faces the challenge of expensive imported goods due to its weakened currency. Chart 10 highlights the correlation between fluctuations in exchange rates and food prices, as measured by the WFP standard reference food basket. The graph emphasizes the link between rising food prices and the depreciation of the currency.

Energy prices

In February 2024, the price of diesel for heating slightly increased by 2 percent compared to the preceding month but experienced a significant 52% increase over the last 12 months. At the national average of SYP 11,586 per liter, the February price stood at eleven times the rate observed three years earlier. This substantial increase can be attributed to notable reductions in fuel subsidies undertaken to alleviate the fiscal burden.

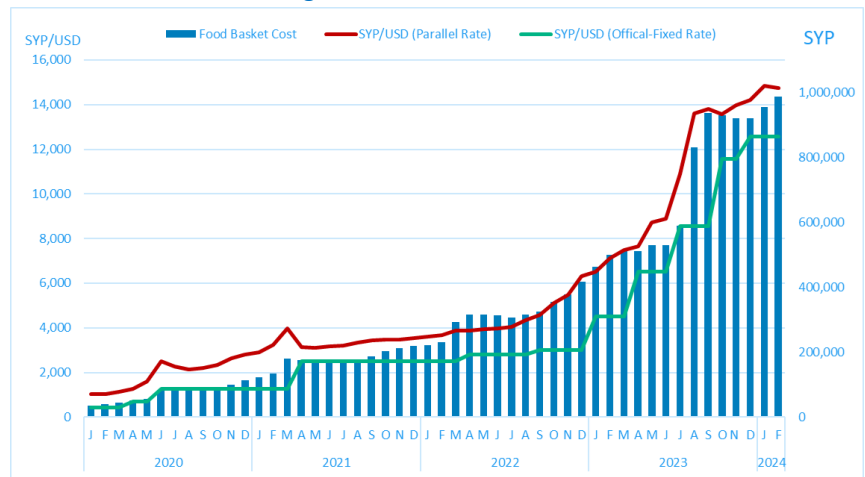
On the other hand, the national average price of a 25-liter butane gas cylinder on the parallel market continued to increase, rising by eight percent compared to the previous month, reaching SYP 234,030. Over the past year, gas prices have surged by 74 percent, with the most significant increase observed in northeastern areas in Syria where prices tripled.

Chart 9: Daily exchange rate trends in 2024, SYP/USD



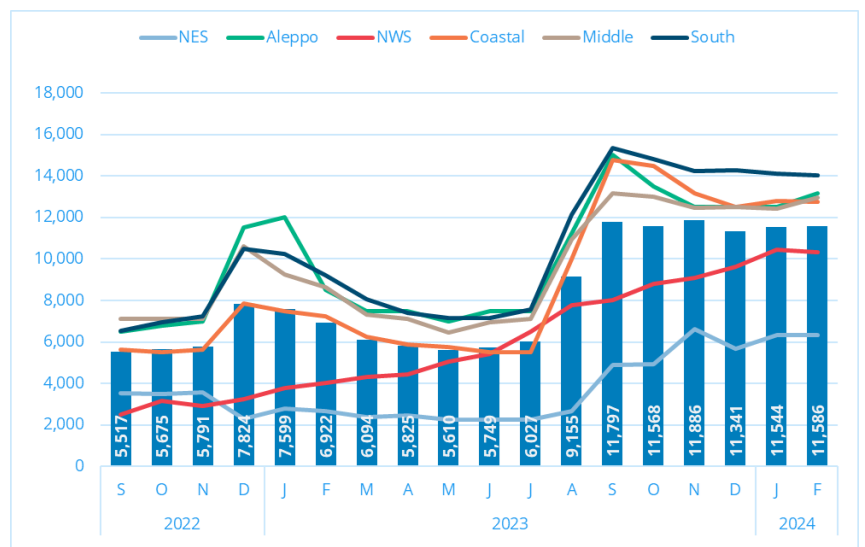
Source: WFP, CBS

Chart 10: Historical exchange rate trends and food basket costs: 2020-2024



Source: WFP

Chart 11: Prices of Heating Diesel



Source: WFP

⁶. When measuring exchange rates, there are two quotations. The first is the direct quotation where the US dollar is the base of measuring the change in exchange rate against the local currency. The second one is the indirect quotation where the local currency is the base of measuring the change in the exchange rate against the US dollar. The change in the exchange rate used below reflects the indirect quotation (measuring how much has the Syrian pound improved (appreciated) or worsened (depreciated) against the US dollar).

Daily wage

During February 2024, the average wage for non-skilled labor continued to rise steadily across the country. The daily wage was recorded at SYP 35,076, marking a four percent increase from the previous month and a substantial 94 percent increase from the previous year.

Significant wage variations were observed across different regions. The Cross-border regions had the highest wage rates, nearly two and a half times higher than those found in the north-eastern areas.

Terms of trade between wage labour and wheat flour

The wheat flour-to-wage labor Terms of Trade (ToT) remained stable without any changes from January to February 2024, reaching 3.67 kg of wheat flour per daily wage (See Chart 13). This represents a 17 percent change compared to the same period a year earlier.

In February 2024, the national average daily wage for a non-skilled worker could buy 3.67 kg of wheat flour, up from 3.13 kg in February 2023. This indicates a 17 percent increase in the purchasing power of non-skilled labor for 1 kg of wheat over the past year.

Terms of trade between sheep and wheat flour

In February 2024, the national average cost of a live two-year-old male sheep saw a fifteen percent uptick compared to the preceding month, reaching SYP 3,956,304 per sheep. The February price was nearly three times higher than the corresponding period last year.

In February 2024, the terms of trade between wheat flour and a live two-year-old sheep experienced an eleven percent increase compared to the previous month, reaching 414 kg per sheep. The terms of trade have increased by 125 percent over the last 12 months. This increase in the terms of trade indicates that livestock prices have increased a lot more than wheat flour prices over the past 12 months.

Chart 12: Daily wage for unskilled labor, SYP

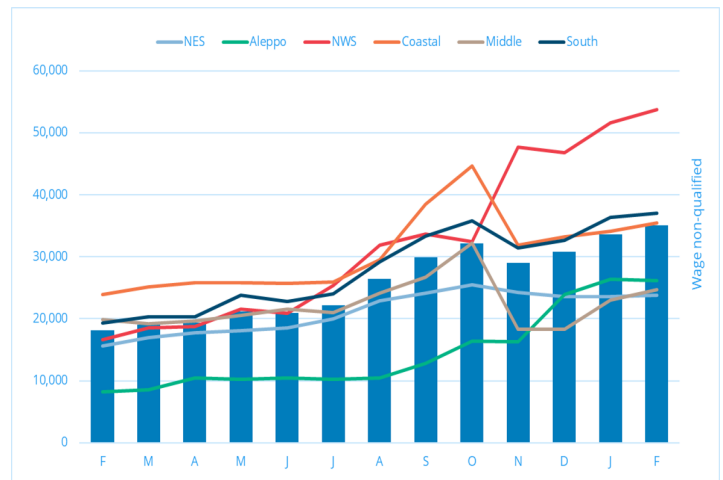


Chart 13: Terms of trade between wheat flour and wage

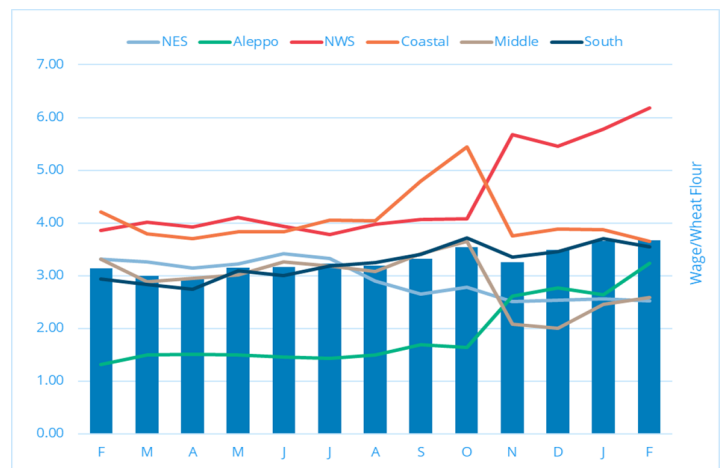
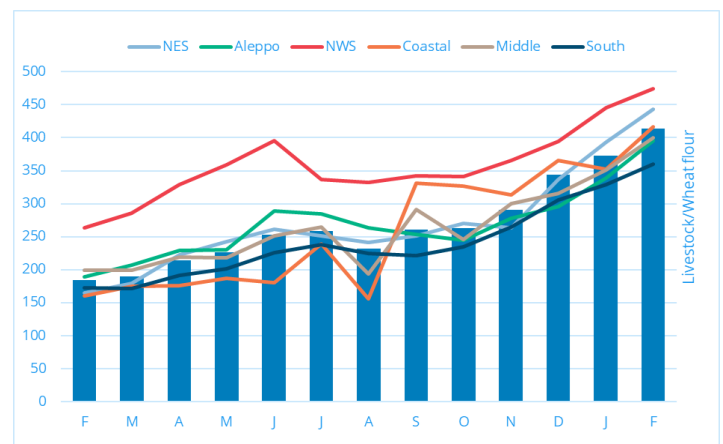


Chart 14: Terms of Trade between wheat flour and the price of a 2 year old sheep



Source: WFP