

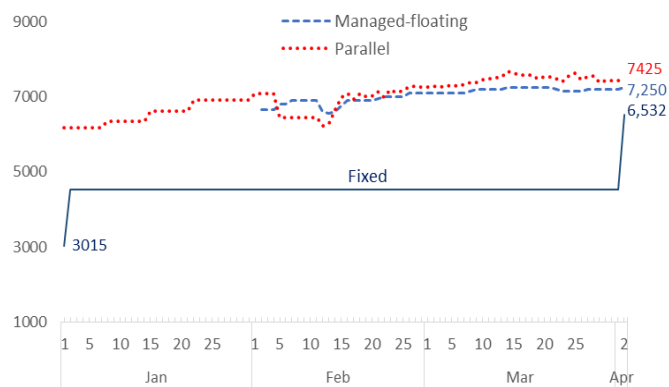


KEY HIGHLIGHTS

Local currency depreciated by 54 percent in the first quarter of 2023

The Central Bank of Syria devalued the local currency by 31 percent on 2nd April 2023, the second time this year and seventh in three years, to trade at SYP 6,532/USD. This policy measure resulted in the Syrian pound to depreciate by 54 percent within the first quarter of 2023. Meanwhile, the local currency depreciated by 18 percent on the parallel market during the same period. While the managed floating exchange rate, introduced in early February 2023, depreciated by eight percent by end of March.

Fig 1. Daily exchange rates in 2023, SYP/USD

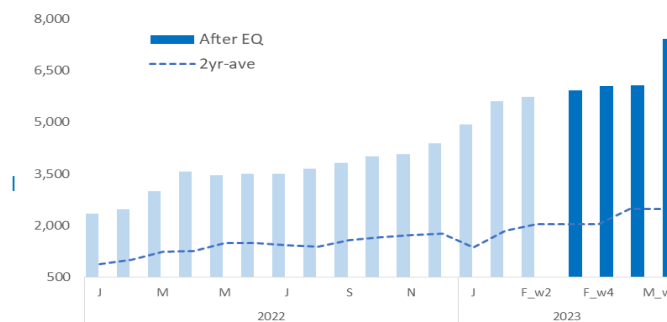


As at close of trading on 2nd April, the parallel rate was four percent and 16 percent higher than the managed floating and fixed exchange rates, respectively. The Central bank's policy directives in the first quarter of 2023 seemed to signal movement towards unified exchange rate.

Wheat flour prices tripled in two years

The national average price of wheat flour, main source of sustenance, soared to new record high, SYP 6119/kg as of the second week of March 2023, three times more than two years ago. In Lattakia, one of the earthquake affected areas, the price of wheat flour increased by one third in a month and more than doubled in 12 months.

Fig 2. Price of wheat flour in Lattakia, SYP/kg



Significant monthly increases were also observed in the earthquake affected areas of Aleppo (11 %), Hama (13 %), and Idlep_XB (14 %). Production shortfalls, soaring fuel prices and continued loss of value of the local currency take much of the blame for skyrocketing imported wheat flour

Sheep prices continued to increase in Aleppo and across the earthquake affected areas.

A month after the earthquake, upward trend continued to be observed for the nominal price of a two-year old male live sheep. The price increased by 20 percent in Aleppo to reach 1,412,500/sheep, up 142 percent in 12 months and 160 percent more than the two-year average.

Monthly increases were also observed for Idlep_XB (32 %), Hama (11 %), and Lattakia (5%).

Fig 3. Price of a two-year old male alive sheep in Aleppo



Map 1. Earthquake affected areas by severity

