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**Highlights**

- o The November 2022 standard reference food basket increased fourteen-fold since November 2019, four times in two years and four-fifth in the last 12 months. The upward trajectory reflected supply chain shocks for the net food-importer, stemming, in part, from the crisis in Ukraine while back-to-back drought conditions have significantly reduced agriculture production in recent years.
- o The Minimum Expenditure Basket (MEB) increased for the fourth consecutive month to reach SYP 958,081 (USD 318), 66 percent higher than the same time last year. The MEB had been increasing by a minimum of five percent in the last four months and neared the million-mark while wages remained largely stagnant. The continued loss of value of the local currency, making imported food expensive, and the increased demand for energy in winter remained key drivers for the surge.
- o The Syrian Pound traded at an average of SYP 5,429/USD on the informal market in November 2022, while the official rate was SYP 3,015/USD. In the process, the local currency, on the informal market, depreciated by seven percent compared to the previous month, 36 percent within 12 months, and 87 percent in three years.
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**Standard Food Basket**

The November 2022 national average price of the standard reference food basket<sup>1</sup> continued to depict sustained inflationary pressures. At SYP 381,351, the food basket has increased fourteen-fold since November 2019, four times in two years, and four-fifth in the last 12 months. The upward trajectory reflected supply chain shocks for the net food-importer, stemming, in part, from the crisis in Ukraine while back-to-back drought conditions have significantly reduced domestic agriculture production in recent years.

Month on month (m-o-m), food basket increased by 6.7 percent in November 2022 compared to the previous month, lentils continued to lead much of the increase at 10 percent followed by rice at six percent. Vegetable oil and bread increased moderately, as the Russian Federation rejoined the Black Sea Grain initiative that was extended for four months.

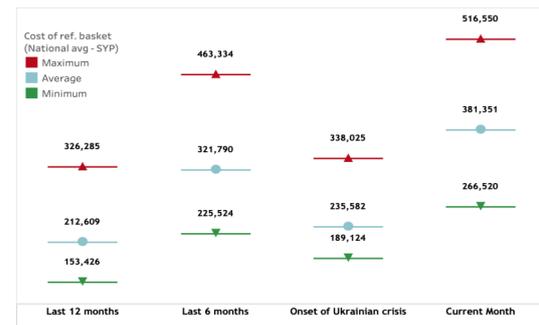
Lattakia governorate had the highest monthly percentage increase for the food basket, at 12 percent, followed by Deir-ez-Zor at 10 percent (figure 1). Lentils, oil and rice were key sources of monthly pressure. The cost of the food basket more than doubled in Al-Hasakeh in the last 12 months, driven by the strong price increases of lentils (up 190 percent), sugar (up 95 percent), rice (up 87 percent) and vegetable oil (up 67 percent). Idleb and Deir-ez-Zor continued to have the lowest yearly increase among the governorates, nearly at 62 and 61 percent respectively (Figure 1).

Since the onset of the Ukraine crisis, Homs governorate experienced the highest price increase for the standard reference food basket by 84 percent.

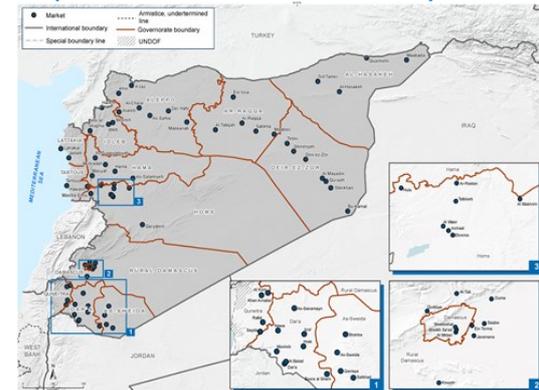
**Figure 1: Food basket cost and changes, SYP**

Governorate	Price November 2022	1 month change	6 months changes	12 months changes
Aleppo	SYP 361,821	3%	21%	67%
Damascus	SYP 404,937	6%	19%	85%
Dar'a	SYP 409,480	8%	14%	88%
Deir-ez-Zor	SYP 313,960	10%	14%	61%
Hama	SYP 405,483	6%	22%	88%
Al-Hasakeh	SYP 324,236	6%	29%	111%
Homs	SYP 407,857	7%	25%	84%
Idleb	SYP 379,761	7%	14%	62%
Lattakia	SYP 413,191	12%	20%	90%
Ar-Raqqa	SYP 323,896	2%	20%	63%
Rural Damascus	SYP 404,034	5%	17%	83%
As-Sweida	SYP 411,586	9%	18%	97%
Tartous	SYP 410,146	9%	12%	68%
Quneitra	SYP 387,979	5%	15%	67%
Average	SYP 381,351	7%	19%	79%

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



**Map 1: Location of markets monitored by WFP**



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)<sup>2</sup>

### MEB Trend

The national average Minimum Expenditure Basket (MEB)<sup>2</sup> for a household of five members increased for the fourth consecutive month to reach SYP 958,081 (USD 318) in November 2022. The MEB had been increasing by a minimum of five percent in the last four months and neared the million-mark while real wages remained largely stagnant.

The November MEB increased by six percent compared to the previous month and 66 percent compared to last year and more than tripled compared to two years ago. The monthly increase reflected increases in the price of tomatoes (up 30 percent), eggplants (20 percent), gas (15 percent), beans (13 percent), and lentils (11 percent). The continued loss of value of the local currency, making imported food expensive, and the increased demand for energy in winter remained key drivers of the continued increase in the MEB for food and non-food components.

As of November 2022, the food and non-food components of the MEB had increased by 68 percent and 64 percent, respectively, compared to a year earlier. Gas prices accounted for 47 percent of the non-food component of the MEB and its proportion likely to increase as winter progresses.

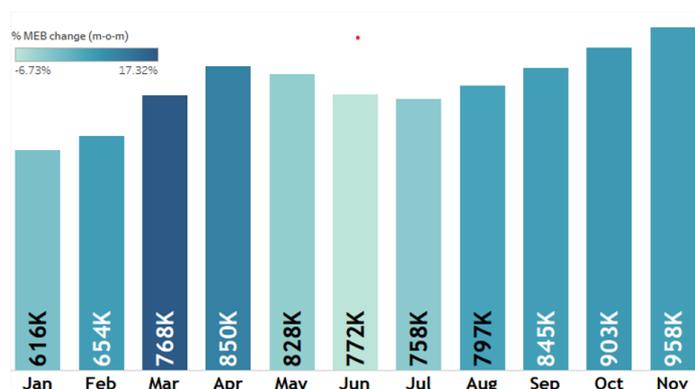
### Worldwide food prices, freight costs and overall inflation trends

Global food prices moderated for the second consecutive month in November 2022. The FAO Food Price Index, a measure of the monthly change in international prices of a basket of food commodities, averaged 135.7 points, nearly unchanged from the previous two months. The November 2022 value stood at 0.3 percent above last November's value. The moderation, a welcome relief for food deficit countries, was led by monthly decline in cereals, dairy and meat prices that offset the uptick in oil and sugar prices. The four-month extension of the Black Sea Grain Initiative subdued import demand from the US and drove much of the monthly decline in the FAO Cereal Price Index to average 150.4 points, down 1.3 percent from October 2022. On the other hand, higher palm and soy oil prices, offset declines in rapeseed and sunflower, drove much of the increase in the November 2022 Vegetable Oil Index.

The November 2022 IGC Grains and Oilseed Freight Index (GOFI)<sup>3</sup> declined by 12 percent compared to the previous month to average 154 points. All the indices decreased, m-o-m, with ocean freight routes originating from Australia having the largest drop at 18 percent while routes originating from the Black Sea dropped by seven percent.

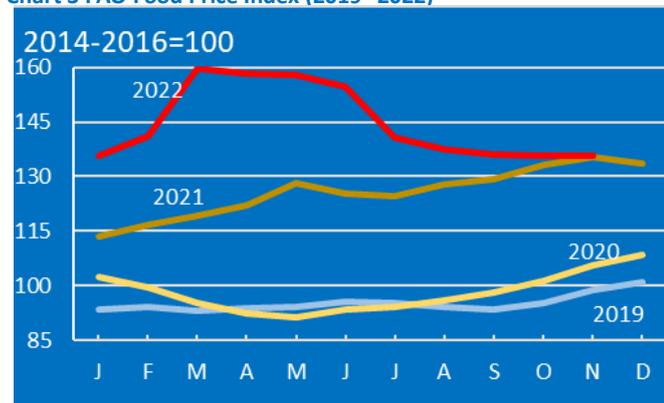
Several countries in advanced economies and within the region continued to experience rising consumer prices, and the surge appeared to be broadening in November 2022. Euro area<sup>4</sup> inflation was recorded at 10.1 percent in November 2022, easing from 10.6 percent in the previous month. US inflation jumped by 7.1 percent from a year earlier, but was less intense compared to the previous month. Egypt inflation surged to 18.7 percent, a five-year high, driven by a weakening Egyptian pound and supply shortages. Egypt is a key trading partner for Syria. The November 2022 Ukraine inflation, at 26.5 percent, was almost unchanged from the previous month and remained the highest in six years. Russia's inflation rate eased to 12.0 percent underpinned by lower price growth.

Chart 2: MEB Trend in Syria (HCT), SYP (2022)



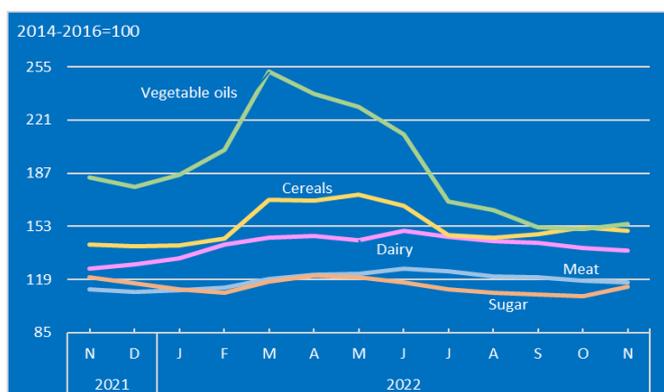
Source: Damascus Cash Working Group

Chart 3 FAO Food Price Index (2019–2022)



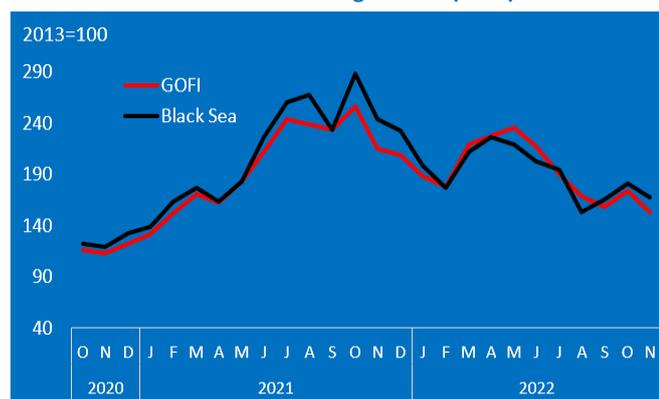
Source: FAO

Chart 4. FAO Food Commodity Price Indices (2021–2022)



Source: FAO

Chart 5: Grain and Oilseeds Freight index (GOFI) m-o-m



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 goods, 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. "Freight Rate Index / Freightos Baltic Container Index" 4. Trading Economics "Inflation Rate"

## Retail prices for key commodities

### Wheat Flour

The monthly price of wheat flour at an average of SYP 3,821/kg increased moderately by three percent in November 2022 compared to the previous month. The price of the cereal was 53 percent more than in February 2022 (onset of Ukraine crisis) and 69 percent above November 2021 values. Regionally, north east areas had the highest monthly increase at 12 percent while nominal prices in the coastal and southern areas were muted.

In the short-term, wheat flour prices are likely to moderate on account of the Russian Federation rejoining the Black Sea Grain initiative and the four-month extension of the agreement.

### Rice

A steady upward trend continued to be observed for the Egyptian white rice in November 2022. It increased by six percent, m-o-m, to reach SYP 4,774/kg. The November price was 33 percent higher than six months ago and 67 percent higher than the same time last year. Regionally, the coastal region recorded the highest monthly percentage increase at 11 percent while other areas ranged between five to seven percent.

The upward trend was partly underpinned by continued increase in food inflation in Egypt, a key supply source, and the general increase in the price of rice on the global market as measured by the FAO All Rice Price Index. Looking ahead, the expected reduction in global rice production by 2.4 percent<sup>5</sup> is likely to continue exerting pressure on domestic rice prices for a country that heavily relies on imports.

### Chicken and eggs

The November 2022 price of poultry meat at SYP 13,215/kg, measured by chicken (plucked), remained unchanged for three consecutive months. However, the November price was 32 percent more than six months ago and 86 percent higher than a year earlier, depicting an inflationary trend in animal protein. Regionally, the cross-border areas continued to have the lowest observed price at SYP 9,268 and southern areas the highest price at SYP 14,677.

Similarly, the November 2022 price of a carton of 30 eggs remained almost unchanged at SYP 16,290, although it was 54 percent more expensive than a year earlier.

Chart 6: Retail Prices of Wheat flour, SYP

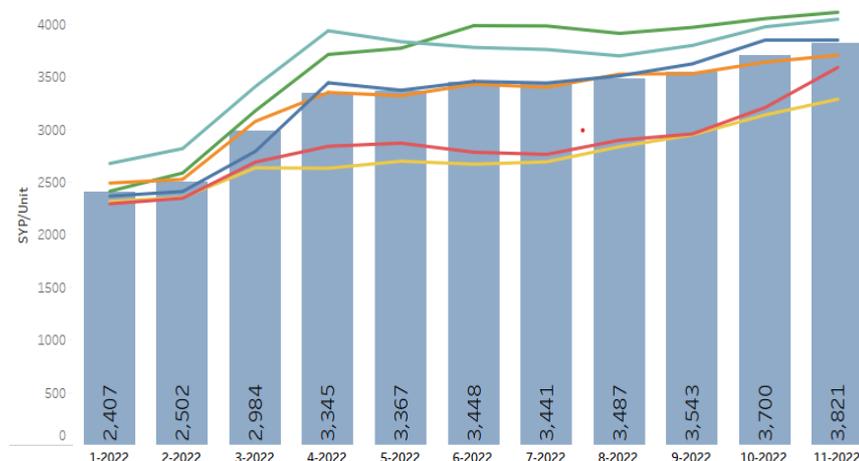


Chart 7: Retail Prices of rice, SYP

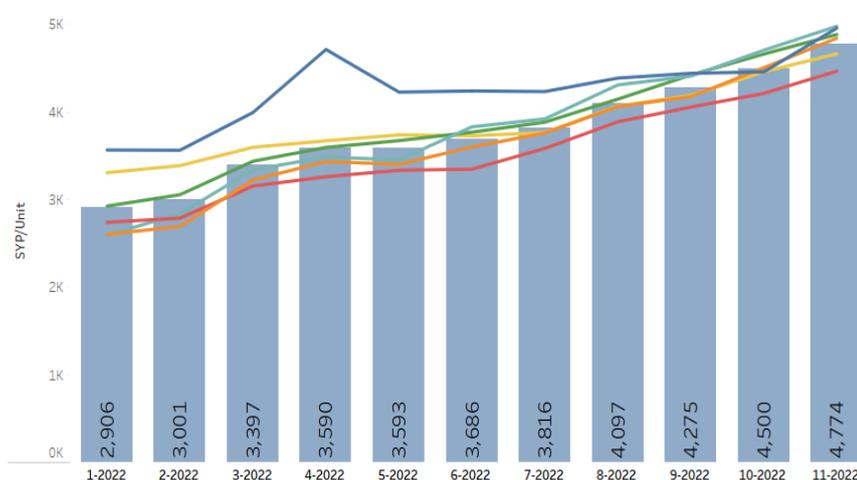
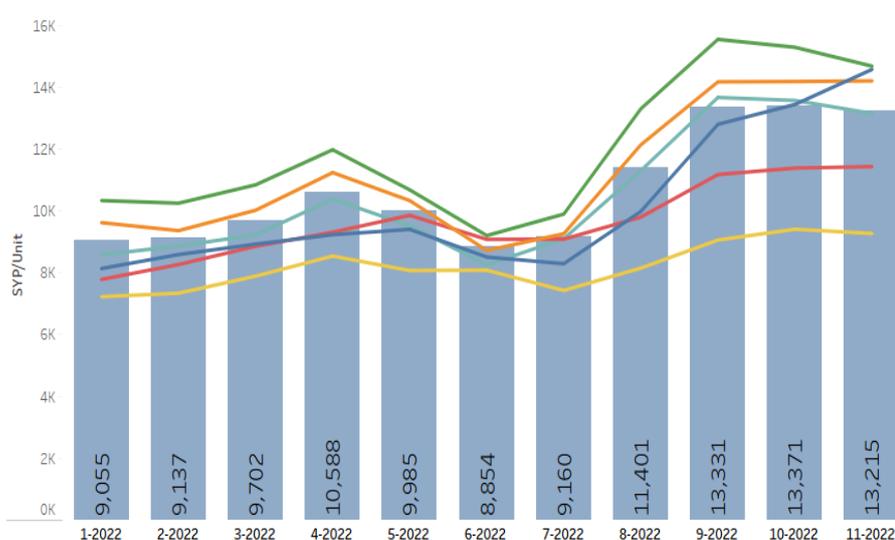


Chart 8: Retail Prices of Chicken, SYP



Source: WFP

5. <https://www.fao.org/newsroom/detail/global-food-prices-overall-hold-steady-in-november/en>

## Exchange rate\*\*

The local currency, Syrian Pound, continued to fall on the parallel market in November 2022. It traded at an average of SYP 5,429/USD, depreciating by seven percent m-o-m, 36 percent within a year and 51 percent in two years (Table 1). At governorate level, the capital Damascus had the highest exchange rate on the parallel market trading at SYP 5,500/USD in November, while Idleb had the lowest at SYP 5,336/USD. The November 2022 UN operational rate was at SYP 3,000/USD and remained unchanged from the previous month.

With the official rate at SYP 3,015/ USD, the gap between the parallel market and the official rate increased to 80 percent in November 2022 from 39 percent a year ago.

Furthermore, chart 9 juxtaposes exchange rate fluctuations in relation to food prices, as measured by the WFP standard reference food basket. The graph depicts and reinforces the notion that increases in domestic food prices and the depreciation of the currency are strongly inter-related. Syria imports a significant amount of food items that are found on the local markets.

## Energy prices

The price of diesel for heating on the informal market continued an upward trajectory that started soon after the onset of the crisis in Ukraine. In November 2022, the commodity reached SYP 5,791 per litre, nearly double within 12 months and nearly sevenfold in two years.

Similarly, the November 2022 national average price of formal butane gas cylinder (25L) increased by 13 percent, m-o-m, to reach SYP 116,068. Gas prices increased by 57 percent in the last 12 months and by seven times in two years.

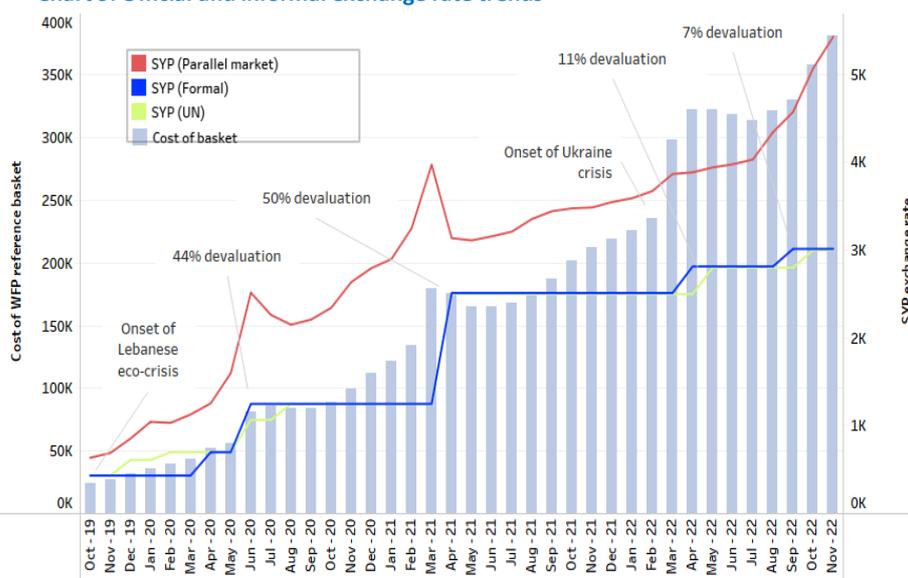
Oil features in everything from agriculture production, electricity generation, heating and transportation. Continued higher oil prices may push more people into poverty.

Table 1: Informal market exchange rate, 1 US \$ to SYP

	November 2022	Percentage Change (m-o-m)	Percentage Change (y-o-y)
Al-Hasakeh	5,474	-7%	-36%
Aleppo	5,467	-7%	-36%
Ar-Raqqa	5,469	-8%	-36%
As-Sweida	5,470	-7%	-36%
Damascus	5,500	-7%	-36%
Dar'a	5,472	-8%	-36%
Deir-ez-Zor	5,414	-5%	-35%
Hama	5,340	-5%	-35%
Homs	5,386	-6%	-35%
Idleb	5,336	-6%	-35%
Lattakia	5,411	-7%	-36%
Quneitra	5,475	-7%	-36%
Rural Damascus	5,490	-7%	-36%
Tartous	5,411	-7%	-36%
National average	5,429	-7%	-36%
Official rate	3,015	0%	-17%
UN operational rate	3,000	0%	-17%

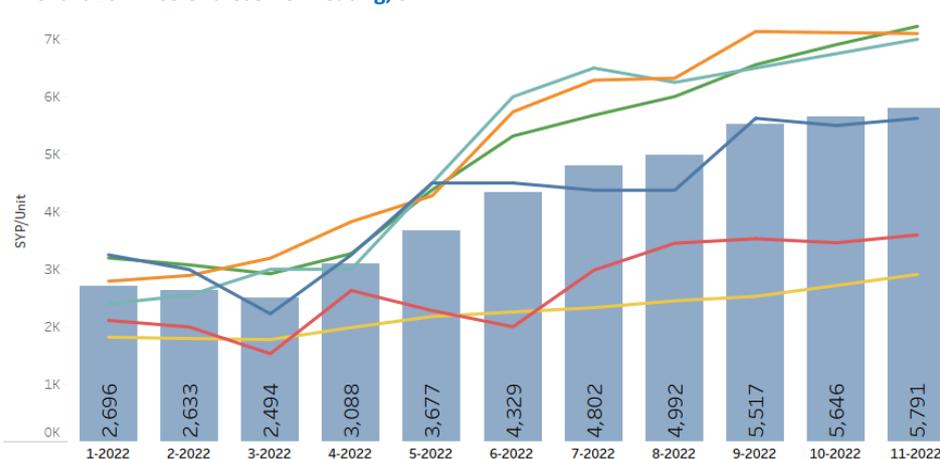
Source: WFP

Chart 9: Official and informal exchange rate trends



Source: WFP

Chart 10: Price of diesel for heating, SYP



Source: WFP

\*\*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).

\*\*\*No formal prices have been reported in the cross-border region because there is no subsidized diesel or butane gas in the region.

## Terms of Trade (ToT)

### ToT between wage labour and wheat flour

A steady upward trend in the national average non-skilled labour wage continued to be observed in November 2022. At the average of SYP 13,889/day, the November 2022 wage rate was six percent higher than the previous month and 67 percent higher y-o-y (Chart 11). Notable wage variations were observed across regions during the reference period, November 2022. At SYP 19,467/day, the coastal region's wage was more than double that of the northwest.

Using terms of trade between wheat flour and wage labour as a proxy indicator of purchasing power, the ToT increased by three percent between October 2022 and November 2022, reaching 3.63 kg of wheat flour per daily wage (Chart 12). However, ToT has marginally decreased when compared to the same time last year. The national average daily wage of a non-skilled worker could buy 3.63 kg of wheat flour in November 2022 compared to 3.68 kg in November 2021. This denotes that the rate of increase in wheat flour prices (up 69 percent, y-o-y) has been marginally higher than the rate of increase in the daily wages in last 12 months (up 67 percent). As such the purchasing power of non-skilled labour marginally shrunk over the last 12 months. Regionally, the coastal areas had better terms of trade, reflective of the relatively higher wages.

### ToT between sheep and wheat flour

In November 2022, the national average price of a two-year old alive male sheep increased by two percent, m-o-m, to reach SYP 629,262/ sheep. The November price was 10 percent more than six months ago and 32 percent more than the same time last year.

The November 2022 ToT between alive two-year old and wheat flour remained almost the same as the previous month at 165 kg per sheep. The terms of trade have decreased by three percent over the last six months and down by 22 percent over the last 12 months. The reduced ToT in the last 12 months denote a reduced purchasing power for pastoral communities as wheat flour prices increased by 69 percent while the price of sheep increased only by 32 percent. Higher feed prices and lack of access to pasture may have led to forced livestock sells due to drought-like conditions<sup>6</sup>.

Chart 11: Daily wage for unskilled labor, SYP

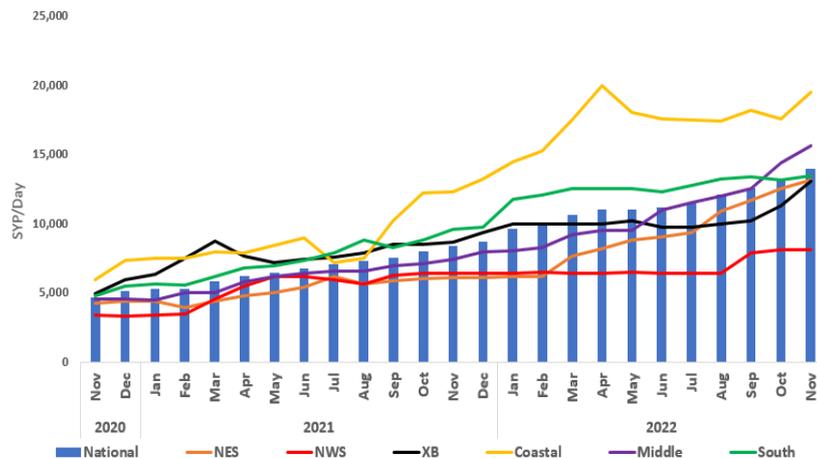


Chart 12: Terms of Trade between wheat flour and wage rate

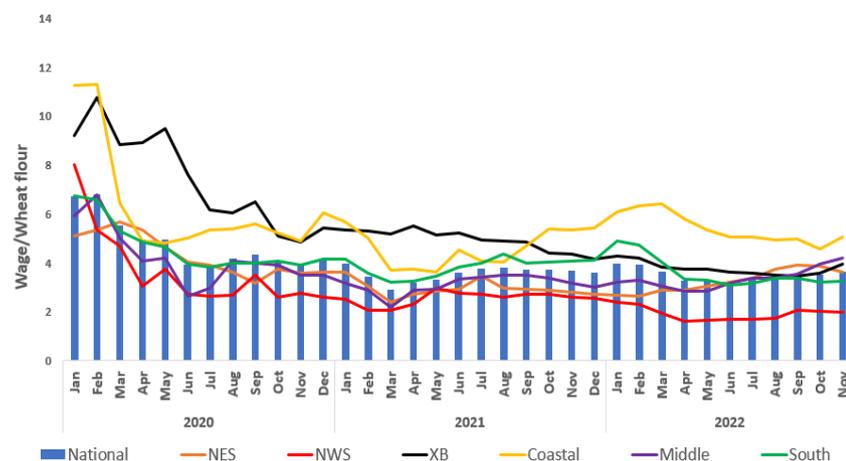
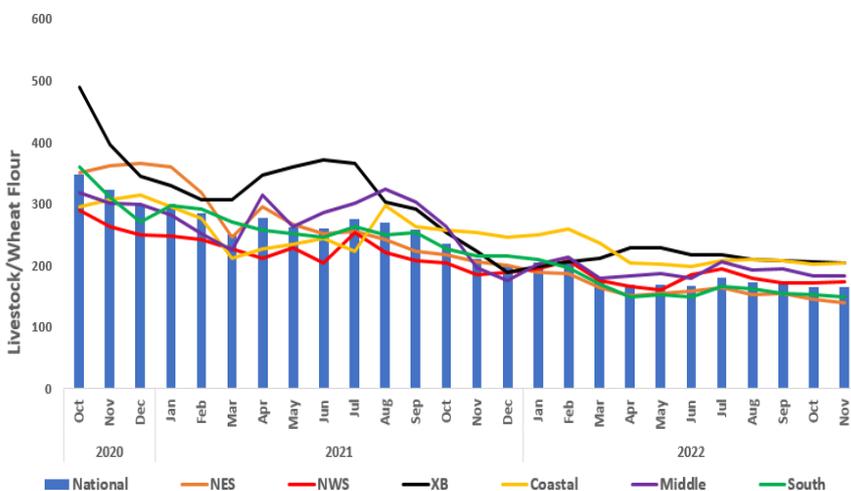


Chart 13: Terms of Trade between wheat flour and the price of a 2 year old sheep



Source: WFP