Northeast Syria | Rapid Market Assessment (RMA)

13 - 14 January 2025

MARKET OVERVIEW

INTRODUCTION

Syria is undergoing major political and social shifts. These changes create both challenges and opportunities for humanitarian efforts. Multi-purpose cash assistance (MPCA) remains vital, offering flexibility for crisis-affected populations to address their needs. However, its effectiveness depends on market functionality, which has been severely impacted by years of conflict and infrastructure damage.

In Northeast Syria (NES), the assessment of market functionality has been critical to guiding cash-based interventions. Tools like the Joint Rapid Assessment of Markets (JRAM) and the Joint Market Monitoring Initiative (JMMI) have provided valuable insights into the operational challenges and opportunities within local markets. As the country moves into a transitional phase, understanding and addressing market dynamics will remain essential for tailoring effective humanitarian responses that support recovery and resilience.

In respone to these developments, REACH carried out a rapid market assessment on 14 January 2024.

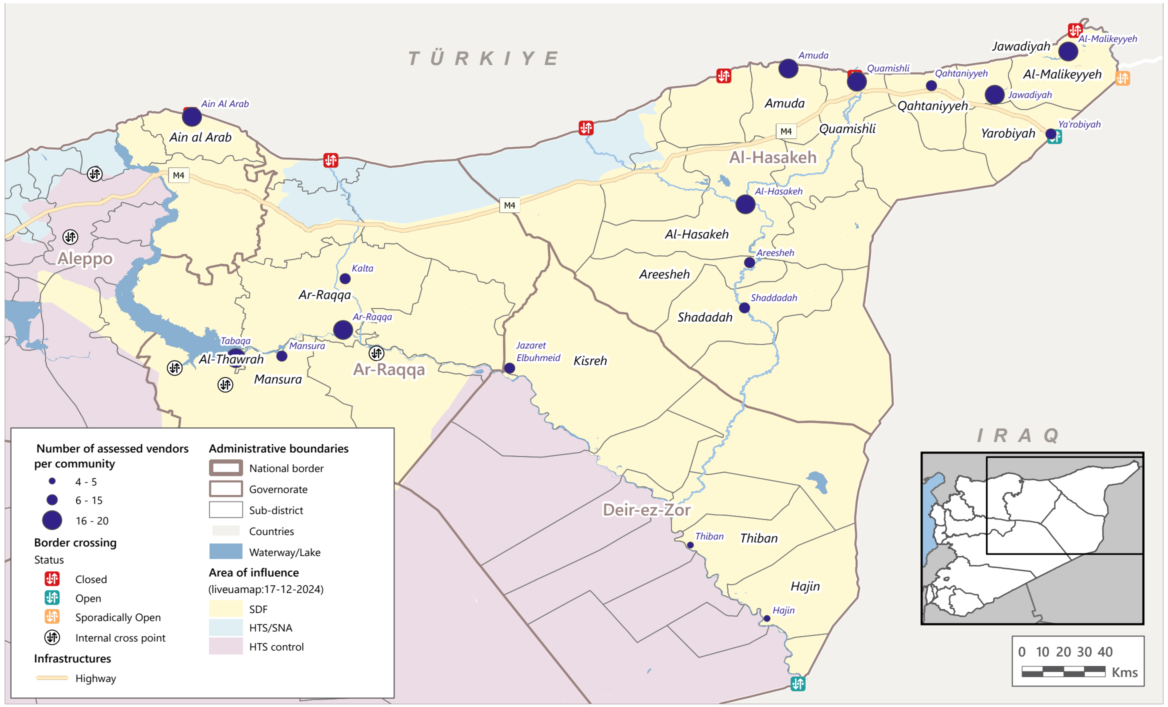
4	Assessed governorates
9	Assessed districts
16	Assessed sub-districts
17	Assessed markets
1	Participating organizations
257	Vendors surveyed

* JMMI December round data.

KEY INDICATORS

Unsubsidized diesel	Bread	USD/SYP
5,106 SYP -10% ▼	2,000 SYP -14% ▼	informal exchange rate
0.41 USD	0.16 USD	12,500 SYP -0.03% ▼

Markets Coverage Map



KEY MESSAGES

- While findings show that markets remain broadly functional across NES, **over two-thirds of vendors reported facing challenges in maintaining business operations**, most commonly identifying high supplier prices and a lack of funds as key difficulties.
- Around a quarter of vendors in **Aleppo and Deir ez Zor** reported that **physically dangerous conditions in the area were impacting their businesses**, while almost 70% of vendors in Hasakeh reported that **curfews had impacted their shops operations.**
- **Challenges persist with the availability of both cooking and transportation** fuels, although there was a minor improvement in the percentage of vendors reporting that transportation fuels were almost fully available compared to the December RMA.
- As the Syrian Pound continues to appreciate across the country, **several monitored items in NES have experienced minor price decreases**, providing consumers, who have been facing several years of price increases, with some short-term relief.
- Overall, vendors reported **a notable improvement in supply chain functionality** between the December and January RMA rounds, however, **almost all vendors in Aleppo stated that supply chains had been disrupted and that they have experienced difficulties in re-stocking.**

% of shops open in market as reported by surveyed vendors

All vendors are open (100%)	63%
Most of the vendors are open (between 75% and 99%)	34%
A lot of the vendors are open (between 50% and 74%)	2%
Some vendors are open (between 25% and 49%)	0%

Shop operational status

Almost all interviewed vendors reported that either all or most of the shops were open in the marketplace, with the majority (84%) stating that the situation remained unchanged in the previous seven days. Despite evidence of market resilience, vendors continue to face multi-layered challenges. Highlighting this, 79% of vendors identified facing at least one difficulty they in maintaining business operations, with high prices from suppliers and a lack of funds being the most commonly identified challenges. Regarding the impact of security-related factors on business operations, In Deir-ez-Zor and Aleppo, over one-fifth of vendors reported that physically dangerous conditions in their area posed a challenging to maintaining their business operations. Compared to the December RMA findings, this represents a significant decrease in the number of vendors reporting this challenge in Aleppo (65% vs 25%) but a major increase in Deir-ez-Zor (4% vs 21%). In addition, although only 1% of vendors in Hasakeh reported physically dangerous conditions as a challenge, almost two-thirds reported that curfews had impacted their business in the seven days prior to data collection.

Changes in the number of shops open in past 7 days as reported by surveyed vendors*

Significantly more vendors are open	11%
The situation is the same	84%
Somewhat more vendors are open	5%
Significantly more vendors are closed	0%
Somewhat more vendors are closed	0%

Top 5 challenges to maintaining business operations, as reported by surveyed vendors *

	Deir-ez-Zor	Ar-Raqqa	Al-Hasakeh	Aleppo
Price increases/high prices from suppliers impacts ability to buy stocks	26%	36%	33%	45%
Lack of funds	53%	38%	40%	0%
Large retailers/wholesalers face difficulties with importing goods/crossborder supplies	0%	3%	12%	5%
Difficulties with availability of core goods	0%	17%	23%	0%
Difficulties related to physically dangerous conditions in this area	21%	0%	1%	25%

Percentage of vendors reporting curfews as a security-related issue that has impacted their business over the past 7 days

68% Al-Hasakeh **20%** Aleppo **1%** Deir-ez-Zor

*Multiple responses permitted.

Item availability, as reported by surveyed vendors

	Almost full availability	Very limited availability	No availability
Fresh vegetables	100%	0%	0%
Bulk items	100	0%	0%
Hygiene items	100%	0%	0%
Transportation fuels	34%	64%	0%
Cooking or heating fuels	26%	72%	0%
Winter items	83%	17%	0%
Construction equipment	72%	22%	3%
Cooking stove and utensils	88%	1%	0%

Basic items availability

In line with longer term availability trends in NES, while goods in most core item categories remain available in markets, challenges persist with both cooking and transportation fuels. Consistent with this trend, different types of fuel items were by far the most commonly reported to be facing shortages in markets. Despite this, there was a minor improvement in the percentage of vendors reporting that transportation fuels were almost fully available compared to the December RMA.

Most commonly reported items facing shortages according to surveyed vendor*

Subsidised manually refined diesel for transportation	47%
Unsubsidised manually refined diesel for transportation	46%
Subsidised manually refined petrol for transportation	45%
Subsidised manually refined kerosene	45%
Unsubsidised manually refined petrol for transportation	37%
Locally produced diesel for vehicles	37%
Locally produced petrol for vehicles	29%
Subsidised bread	23%
Subsidised LPG gas	6%

* This indicator reflects the circumstances over the last 7 days.

Changes of prices, as reported by surveyed vendors

Items	Significant increase	Moderate increase	No Change	Moderate decrease
Fresh vegetables	0%	2%	27%	53%
Bulk items	0%	19%	32%	49%
Hygiene items	0%	17%	41%	42%
Transportation fuels	1%	4%	51%	44%
Cooking or heating fuels	1%	3%	62%	34%
Winter items	0%	11%	61%	28%
Construction equipment	0%	13%	74%	13%
Cooking stove and utensils	0%	11%	64%	25%

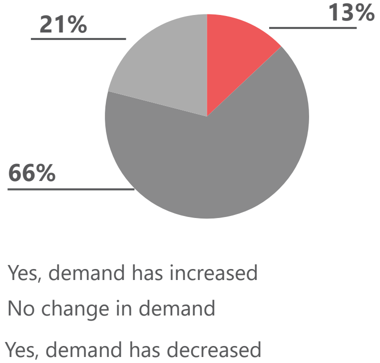
Change in prices of basic items (TRY)**

Basic items prices trend

While the above findings indicate that markets continue to function and serve communities across NES, the situation remains highly predictable, with shocks related to the evolving political situation and related conflict dynamics likely to impact market functionality in the coming weeks and months, both in localized ways and on a larger scale. While there were significant, sharp, short-term increases in the exchange rate in response to local conflict events during the first part of December in NES (e.g. the USD/SYP exchange rate in Raqqa briefly reached 1 USD/25,000 SYP), the currency has been more stable throughout January. As the Syrian Pound continues to appreciate across the country, several monitored items in NES have experienced minor price decreases. Despite the short and medium term unpredictability of the SYP exchange rate based on a multitude of factors tied to the ongoing transition, this trend has provided consumers, who have been facing several years of price increases, with some economic relief in the short-term.

* This indicator reflects the circumstances over the last 7 days.

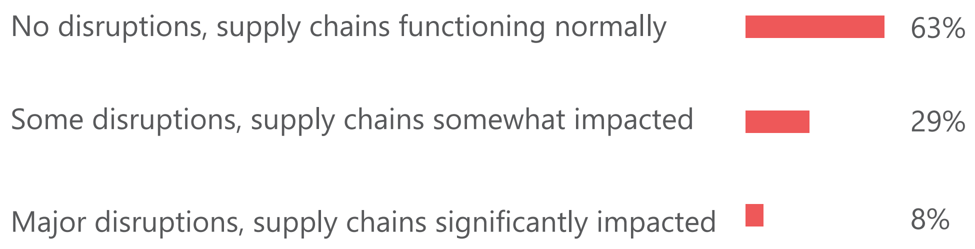
Change in customer demand



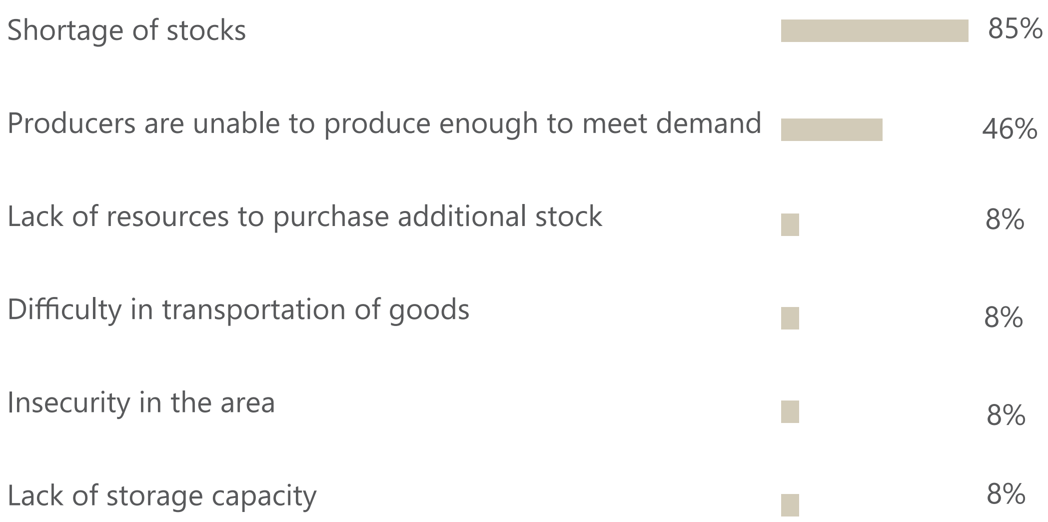
Customer demand

Major short-term spikes or decreases in customer demand generally signify a shock, where people either panic buy in response to event in the event of a sudden increase, or in the event of a decrease, cannot access markets due to security concerns or abruptly lose their source of income. When asked if they had experienced an increase in customer demand in the previous seven days, 66% of vendors reported no that there had been no change in demand compared to only 37% in the December RMA. Of those vendors who reported seeing an increase in demand (13%), 41% stated that they faced barriers to meeting the increase in demand, with stock shortages and producers being unable to supply enough to meet demand being the primary reasons given.

% of surveyed vendors in the marketplace reporting disruptions in supply chains



Most commonly reported barriers to meeting increased customer demand as reported by surveyed vendors*



*Multiple responses permitted.

Stock and restock capacity

Vendors reported a notable improvement in supply chain functionality between the December and January RMA rounds. In the December RMA, 70% of vendors reported either some or significant disruptions to supply chains, compared to only 37% in January. However, there was a stark contrast between governates as 85% of vendors in Aleppo reported significant disruptions, likely linked to ongoing military operations in the area. This trend was also apparent in reported restocking challenges. The majority of vendors (61%) across all governates reported that they had not faced any issues restocking in the previous seven days, but in Aleppo, 100% of vendors reported that they had faced difficulties. Furthermore, while 58% of vendors said that they do not anticipate facing challenging restocking over the coming seven days, all vendors in reported they do anticipate challenges.

Financial service provider and money exchange functionality

Money transfer and exchange services were broadly reported as functional by KIs across the four governates. The availability of these services plays a crucial role in supporting the local economy, allowing businesses to continue operations and facilitate exchanges despite the ongoing changes in the region.

Methodology

The Rapid Market Assessment aims to inform market-based programming in Northern Syria.

Coverage

Coverage was determined through identifying key market hubs using REACH's 2023 Market Network Analysis research, which highlights the number of surrounding communities that depend on market hubs to access key commodities and services.

Data Collection

Primary data collection was conducted in-person and remotely by REACH enumerators. Using a quantitative tool, the structured KI interviews with vendors aims to collect data at community-level in identified market hubs on the key indicators of market functionality (e.g. shop closures, item availability, price changes, supply chain resilience etc.). Enumerators interviewed 10-12 vendor KIs per assessed community, targeting vendors previous engaged with market monitoring where possible. Vendors were targeted as a priority that sell basic commodities falling within the following categories:

- Basic food items
- Basic (non-food items including hygiene items)
- Shelter items (plastic sheets, tents, tools and materials)
- Water
- Fuel
- Winter items (blankets, jerry cans, winter clothes)

Identification of traders

Field teams identify traders to assess based on the following criteria:

- Traders are retailers selling directly to consumers.
- Traders need to be representative of the local price level.
- Traders have knowledge of the shop operations.

To the extent possible, the same traders are revisited in every data collection round.

Enumerators and training

The data are collected by field staff familiar with local market conditions. They undergo training on the methodology and tools provided by REACH. Training sessions occur each time a new partner joins the assessment, at partner request. Additionally, field teams are equipped with a Standardised Operational Procedure (SOP) offering guidance on market identification, trader assessment, and pricing. The REACH team manages the integration of partner feedback on the SOP, sharing updates, and conducting re-training with the field, as needed. Data collection is carried out using the KOBO Collect mobile application.

Data cleaning and analysis

After data collection, REACH compiles and cleans all collected data, standardizing prices, cross-checking outliers, and calculating the median cost of prices in each assessed location. Follow-ups are initiated with field teams to address data queries, including outliers, missing data, and incorrect entries. The median item prices reported in this factsheet are 'location medians,' designed to mitigate the impact of outliers and variations in data quantity among assessed locations.

Challenges and limitations

- Price data is only indicative for the time frame within which it was collected. Prices may vary between data collection rounds.
- With current coverage, data is mostly collected from main markets, which may not be representative of rural areas.
- As the assessment continues to expand and is extended to additional locations, the reported changes in the overall median prices may be driven by shifts in coverage rather than actual price changes.

About the CWG

The JMMI exists within the framework of the Cash Working Group (CWG). In northeast Syria (NES), the CWG was established in May 2014 to analyse the impact of the ongoing conflict on markets in Syria and guide the implementation of humanitarian cash and voucher programmes within those markets. For more information about the CWG in NES, please contact the cash working group coordinator at cashcoordnes@gmail.com.

About REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).