Northwest 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 Northwest Syria (NWS), 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.

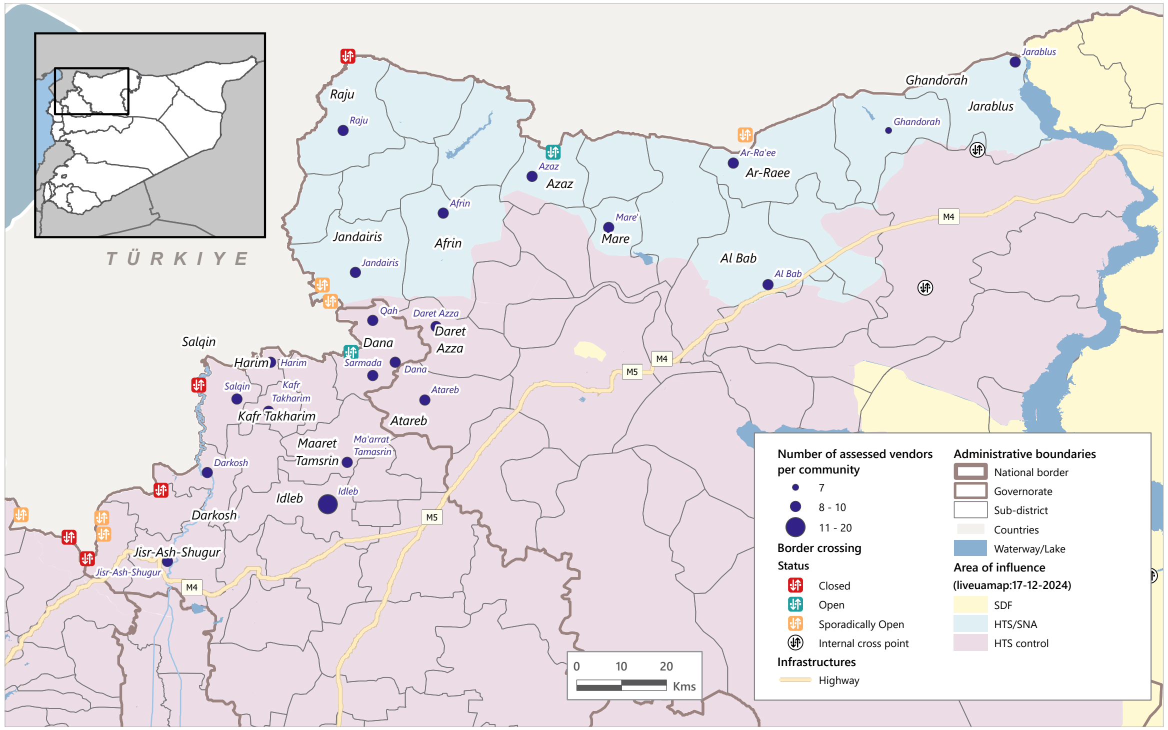
In response to these developments, REACH conducted a rapid market assessment on 18 December 2024, followed by a second round on 13–14 January 2025.

2	Assessed governorates
8	Assessed districts
18	Assessed sub-districts
20	Assessed markets
4	Participating organizations
207	Vendors surveyed

KEY INDICATORS

Unsubsidized diesel	Subsidized bread	USD/TRY
37 TRY +28% ▲	7.7 TRY +4% ▲	informal exchange rate
1.03 USD	0.22 USD	35.8 TRY +0.8% ▲

Markets Coverage Map



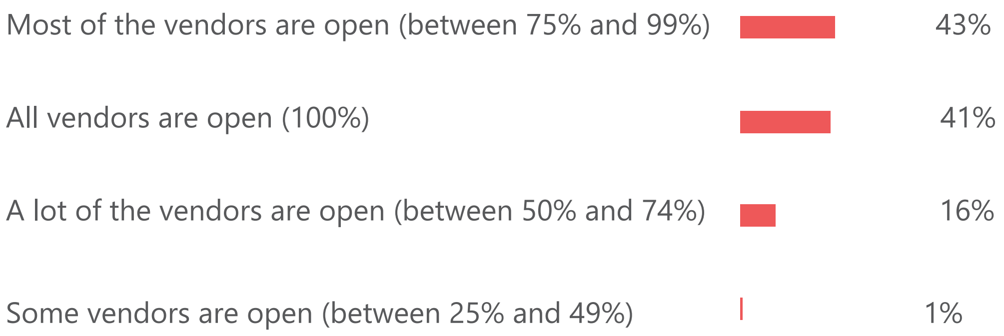
KEY MESSAGES

- Although most shops are reportedly open for business in marketplaces across NWS according to interviewed vendors, **there was a notable increase in reported vendor closures compared to the previous week.** This is likely linked to a combination of factors, including increased customs fees, the fuel crisis, and vendors returning to their areas of origin.
- Nearly 100% of vendors reported that no security-related issues had impacted their business in the past seven days, **although many reported facing challenges related to price inflation, lack of funds, and high customs fees**.
- Of all assessed categories of goods, transportation fuels, especially diesel, are experiencing the highest price increases and availability challenges.
- **Vendors reported either moderate or significant price increases over the past seven days across all monitored item categories,** which is also likely driven by increased customs fees, the worsening fuel crisis, and a minor depreciation in the value of the Turkish Lira (TRY).
- As a result of the the abrupt reduction in cross border trade from SDF-controlled Northeast Syria, **a much higher percentage of vendors reported supply chain disruptions in January compared to December.**

INTER-AGENCY CWG CASH WORKING GROUP NorthWest Syria (NWS)

REACH Informing more effective humanitarian action

% of shops open in market as reported by surveyed vendors



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

The situation is the same	35%
Somewhat more vendors are open	30%
Somewhat more vendors are closed	14%
Significantly more vendors are open	12%
Significantly more vendors are closed	9%

The percentage of vendors reporting no issue with security in or near the marketplace across both governates over the past 7 days

100% Aleppo

99% Idleb

*Multiple responses permitted.

Shop operations/business challenges

A significant majority of vendor KIs (84%) reported that most or all shops the in market were open, reflecting the ongoing resilience of markets in NWS. It is also noteworthy that almost no vendors reported security-related factors negatively impacting business operations over the previous seven days, indicating a high degree of relative stability. However, compared to the December Rapid Market Assessment (RMA) findings, there was a noticeable increase in the number of vendors that reported either somewhat or significantly more vendors were closed compared to the previous week. This trend was especially pronounced in Idleb City, Raju, and Dareet Ezza, where over half of interviewed vendors reported increased rates of shop closures over the past week. While this may in part be attributable to shop owners returning to their places of origin, the sudden increase in customs fees on imported goods that was announced in the days prior to data collection, combined with major challenges in the supply and price of transportation fuel, could have also been a significant contributing factor. Highlighting the immediate effect of this change, the high cost of customs fees was identified as a main challenge in maintaining business operations by 40% and 75% in Greater Idlib and Northern

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

	Idleb	Aleppo
Lack of funds	44%	31%
Increases/high cost of customs fees	40%	75%
Price increases/high prices from suppliers impacts ability to buy stocks	58%	64%
Large retailers/wholesalers face difficulties with importing goods/crossborder supplies	13%	13%
Difficulties with availability of core goods	17%	9%

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	60%	38%	2%
Cooking or heating fuels	79%	21%	0%
Winter items	89%	11%	0%
Construction equipment	84%	16%	0%
Cooking stove and utensils	100%	0%	0%

Most commonly reported items facing shortages according to surveyed vendor*

Unsubsidised manually refined diesel for transportation	71%
Manually refined diesel for transportation	36%
Unsubsidised manually refined petrol for transportation	35%
Subsidised LPG gas	33%
Manually refined petrol for transportation	31%
Locally produced diesel for vehicles	28%
Manually refined kerosene	24%
Locally produced petrol for vehicles	23%
Subsidised bread	23%
Manually refined kerosene	18%

Basic items availability

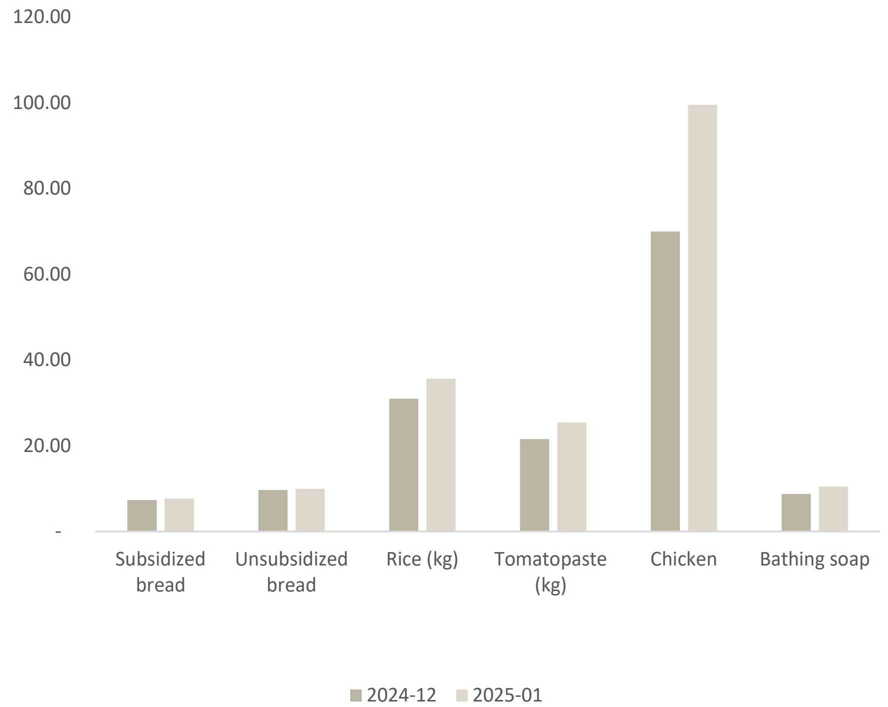
Most categories of core goods are reported to be widely available in markets across NWS, with the important exception of transportation fuels. Almost 40% of interviewed vendors stated that there was very limited availability of transportation fuels in the market, and different types of transportation fuels, most prominently manually refined diesel, were by far the most common items experiencing shortages in the marketplace according to vendors. Despite this, findings show there was an improvement the availability of transportation fuel compared to the December RMA, when almost two-thirds of vendors reported very limited availability, 38% of interviewed vendors in the January RMA. The impacts of fuel shortages in NWS are having far ranging and immediate effects on price trends across different categories of core goods, while also making planning for humanitarian operations increasingly difficult given the centrality of fuel availability to service provision and aid distribution.

* 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	14%	45%	41%	0%
Bulk items	23%	72%	5%	0%
Hygiene items	17%	72%	11%	0%
Transportation fuels	28%	47%	24%	1%
Cooking or heating fuels	29%	52%	18%	1%
Winter items	26%	62%	12%	0%
Construction equipment	35%	65%	0%	0%
Cooking stove and utensils	15%	68%	17%	0%

Change in prices of basic items (TRY)**

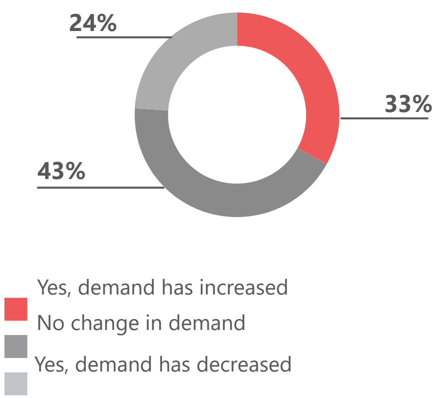


Basic items prices trend

As highlighted in the previous section, transportation fuels, particularly diesel, are facing sustained supply challenges, leading to price increases which threaten vendor operations and households' ability to meet their basic needs, especially with the increased pressure placed on resource allocation during the winter months. Most notably, the price of diesel increased 28% compared to the RMA carried out in mid-December 2024. A substantial majority of vendors reported either moderate or significant price increases over the past seven days across all monitored item categories, likely reflecting the duel impact of increased customs fees and the worsening fuel crisis in NWS, in addition to a minor depreciation in the value of the Turkish Lira, the main currency used for the purchase of goods in the region. According to the most recent WFP Market Monitoring Bulletin, the primary driver increasing transportation fuel costs, specifically diesel, is the reduction of supply from areas controlled by the Syrian Democratic Forces due to increased conflict.

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

Change in customer demand

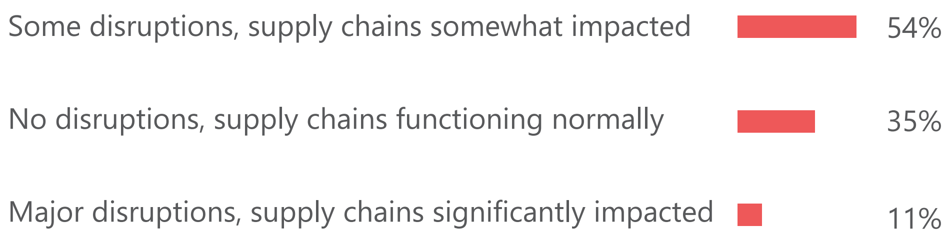


Customer demand

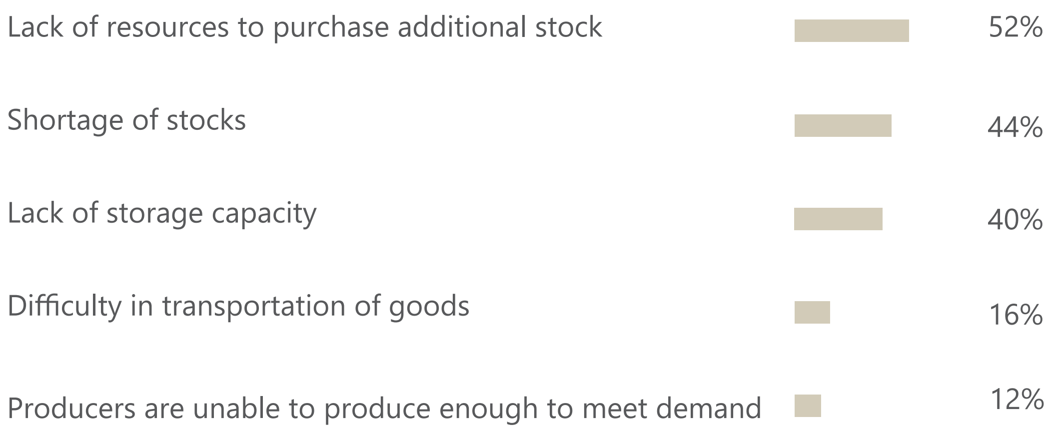
33% of interviewed vendors reported experiencing an increase in customer demand, a decrease of over 20% compared to the mid-December RMA. Of these, 49% reported that they are facing barriers to meet increased demand including stock wshortages, lack of resources to purchase additional stock, producers' inability to meet production needs, and difficulties in the transportation on goods. Consumers also continue to rely on credit for purchases, with just over half of vendors reporting an increase in demand.

Additionally, 41% reported that their capacity to allow purchase on credit has decreased.

% 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**



Stock and restock capacity

A much higher percentage of vendors reported supply chain disruptions in January compared to December, likely due to the abrupt reduction in cross border trade from SDF-controlled Northeast Syria, the increase in customs fees for imported goods, and the worsening fuel crisis. The median reported number of days of stock remaining by vendors across all assessed market hubs was seven, a decrease of 4 days compared to December. In addition, 57% of vendors indicated they have encountered challenges in restocking over the seven days before the data collection and 67% of vendors anticipate facing similar difficulties over the coming week. Overall, the above findings indicate a negative trend in vendor capacity to meet the needs of consumers as a result of multiple factors mentioned above.

Financial service provider and money exchange functionality

The coming months will have major implications for Financial Service Provider (FSP) services in NWS as the transitional government seek to integrate the region into Syria's formal banking sector. In the January RMA, the vast majority of KIs in both Northern Aleppo and Greater Idleb reported that money transfer and exchange services were fully functional. 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.

*Multiple responses permitted.

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 and partners' 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 Cash & Markets 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 partner 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 northwest Syria (NWS), 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 NWS, please contact the cash working group coordinator at cbr.twg@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).