

SYRIA

The Economic Scene

Reports on the economic condition across Syria



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Syrian Economic Task Force

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Foreword

Economy is not only the stimulant of history, but it is also the foundation upon which all successful realistic strategic policies are built. Any national decision that ignores a main driver of the turbines of reality and history is a wrong one, and the maker of that decision will soon realize that success of any policy, or seeking a way out of a pivotal national predicament, is realized by not overlooking the living reality, especially the economic side of it. Hence, the economists bear, in the time of calamities and disasters, a mission whose impact is no less than that of the politicians, military, relief and medical personnel. The need for economic diagnosis is definitely a national need.

There is no doubt that the long nightmare that Syria experiences will come to an end one day, and we ask God Almighty to hasten the arrival of that historic day. But until that day comes, some party must undertake the task of describing the real Syrian economic condition of the Syrian districts and sub-districts without sugarcoating, in an objective and professional way. Therefore, Syrian Economic Task Force, with its patriotic economic experts, continues to address the economic vacancy, as was its habit since its writing of the Economic Discourse of the Syrian Revolution two months after its eruption, and consequently representing the Syrian side in all international conferences of the Group of Friends of the Syrian People seeking the reconstruction of Syria (Abu Dhabi, Berlin, Dubai, South Korea, ..).

Like it did before, when it provided the Syrian people and the decision makers with thirteen detailed economic reports on most sectors of the Syrian economy from a total, comprehensive and horizontal perspective, including the emergency plans for immediately after the crisis (first 6 months), medium-term plans (over 2 years), and long-term plans (over 5 years); today again, Syrian Economic Task Force is performing its national professional duty, and putting in the hands of decision makers what helps them make the decisions that will pull the Syrian people out of their historic predicament.

*Osama Kadi, PhD
President of Syrian Economic Task Force*

Word of Thanks

We cannot help, while we present the Syrian people with these studies, but thank one of the distinguished patriotic businessmen, and there are many, that is our brother and friend, Mr. Ayman Kassab Bashi, who spared no effort in supporting the Syrian issue, especially in its economic awareness side, through his support to the activities of Syrian Economic Task Force, believing in the importance of the realistic and futuristic prospective economic vision to the Syrian issue.

Research Methodology

In our research, we use the mechanisms of Microeconomics and Mesoconomics exploring, through the research, the political and military situation and their direct effect on the city's economy or the factors that affect its local economy apart from the other districts or sub-districts that follow it administratively, since the effects of these factors differ from the other towns and cities according to the geographic and demographic location. In our research, we include the impacts of political and military factors and developments in Raqqah Governorate and Syria in general, and in each sector separately.

Furthermore, our research, we depend on field survey to detect price changes, economic situation of the population, and the effect of quarterly and agricultural seasons.

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Introduction

The city of Al-Al-Tabqa is divided into two parts, the modern part known as the Thawra City, and the old part, which is the old Al-Tabqa and the main market. This division has started since the establishment of the Euphrates Dam in 1968 that has attracted people from all across Syria and the job security that accompanied the construction of the dam and its supporting ventures including land reclamation projects, water and electricity projects.

Al-Al-Tabqa city has transformed into a center for public sector establishments and the home for the ministry of the Dam during the 70s and the 80s. It had several public administrations such as the Land Reclamation administration and the Euphrates Basin Establishment along with many other supporting establishments, which has turned Al-Al-Tabqa into a Syria miniature model due to the demographic and administrative changes over the past 50 years. The city has become a major commercial and trade hub for the eastern part of Syria.

This research was conducted on April 2015 and will cover the current economic condition in the city following its liberation from the Assad regime in February 2013 and throughout the 2014 when ISIL took control of the city.

Al-Tabqa city is considered of major importance given its being a miniature model of Syria, and a home of the largest water project in the history of Syria, the Euphrates Dam, the land reclamation in the Euphrates basin. In addition, its location on the banks of the largest water reservoir in Syria gives it a vital importance to all of Syria.

Further, the city has a special demographic character as three generations of Syrians from all across Syria have been born there as a result of the effort by the government to resource its human capital needs for the Euphrates project. It is estimated that 10% of the Syrian families have lived in the city for at least a period during 45 years.



Economic Condition

1. Income Sources

We can classify the population's income sources as follows:

a. Income Sources in the Private Sector

- Agriculture:** Agriculture in Raqqa Governate, including Al-Al-Tabqa, is mostly irrigated and is spread on the Euphrates banks, valleys, and artificial canals on the river. There is also parts that rely on rainfalls for irrigation, which are locations that have not benefited from the irrigation projects. The main source of income in this sector is the revenues from selling the crops the landowners and workers make, who have usually shares the revenues in addition to daily workers. The daily worker's wage is SYP 500/day, but the farmer that supervises the land for a year will get a quarter of the crop for his work, he and his family, in the land, supervising irrigation and seeding, and being responsible for seasonal workers wage and anything that the agricultural season requires. The most important crops in Al-Raqqah and its surroundings are wheat, cotton with olive trees recently spreading.
- Manufacture:** Manufacture is an important source of income to the owners of existing factories and workshops, as well as craftsmen and workers that work there. The workers' wages here are mostly weekly. This sector also includes construction workers, but the method of wage calculation in construction is different, it is usually daily or per commitment like farm workers. The daily-worker's wage ranges from SYP 800 to 1,000, while the weekly worker's wage ranges from SYP 3,000 to 10,000. There are major factories and industrial facilities in Al-Al-Tabqa, but most of which were public-sector facilities that are currently non-operational, except those working in agricultural industries such as animal feed and dairy-products factories, oil and oil-related facilities, and irrigation supplies factories.

- **Trade:** Trade in Al-Tabqa City is a real support to those who stayed in the city from shop owners and traders. It secures good income to shop owners and workers. The wages in trade shops are divided between weekly and monthly wages or commissions on sales. In general, wages in the trade sector range between SYP 5,000 – 20,000 a week.
- **Services:** Include:
 - Water: The existence of the largest water reservoir in the country have given the residents the benefit of free water until the year 2000.
 - Power Generators: A source of income for its owners, and it includes sales of Amperes and workers and technicians wages.
 - Communication networks: Provides income for its owners, investors and workers in that sector, and includes sales of wireless internet service and the activities of telecom shops that depend mainly on internet since telecoms were cutoff for a long time in Al-Tabqa Governorate. The landlines network works internally and is currently under the control of ISIL
 - Fuel oil, firewood and gasoline sector.
 - Money and currency exchange sector.
 - Transportation sector, which includes transportation of passengers and shipping.
 - Tourism: Income from this sector, which used to come from the lake and the archeological castle of Jaabor, has seized since ISIL took control. Another touristic source that used to generate income was a natural reservation in Aid Island, which had rare breeds of birds and gazelles that were brought in the 80s and have populated the island since.

B. Income Sources in the Public Sector

- Salaries of government employees: Al-Raqqah Governorate, including Al-Tabqa, is one of the highest governorates in the dependence of its people on the public job. It is noteworthy that it is the first liberated governorate in Syria and most of its employees still receive their salaries from the regime via certified accountants in Damascus.
- Salaries of employees and workers of local entities and civil society organizations (municipal council – relief, medical or charity organizations – Islamic Legal body ... etc.) have become nonexistent after the Islamic State's control of Al-Tabqa, except for a few who have resumed working in the services circuits introduced by ISIL.
- Salaries of employees in entities that follow or receive salaries from the Syrian Interim Government, which have become nonexistent after the Islamic State's control of Al-Tabqa.
- Salaries or grants to units of FSA and militant factions, which have also become nonexistent after the control of the Islamic State's which gives \$300 to each of their members.
- Revenues of transportation vehicles including trucks, passengers and cars. The vehicle driver earns a portion of the income of the vehicle that ranges from 35-40%.
- In-kind aid from all sides. It secures about 15% of the population needs, or saves around 25% of their expenses. However, it has become almost nonexistent apart from relief provided by ISIL-related entities.
- The percentage of government employees whose salaries are cut for security reasons are 15% but salaries in general have been cut off after the ISIL prevented employees from travelling to the regime's areas, stopping education and preventing women from leaving the ISIL-controlled areas.



2. Production Volumes

- a. Agriculture:** The agricultural season this year is one of the worst in many years in Al-Tabqa, especially to the most important crops, which are wheat and cotton. As for wheat, there was a real drought not only in Al-Raqqah Governate but also all over Syria. As for the irrigated wheat, there are no accurate figures on its production this year due to the displacement of a large number of farmer after the ISIL control of Al-Tabqa in addition to secrecy with which the ISIL surrounds the production volumes of wheat. This is also the case for cotton.

It is noted that the wheat crop has become completely monopolized by ISIL, besides what the ISIL had seized from the Silos of Aleppo and moved to Al-Raqqah, Manbij and Maskanah while retreating from the western and northern countryside of Aleppo and before that.

- b. Manufacture:** There are a number of medium and large factories in Al-Tabqa, but the most important industrial facilities are related to water resources. The private industrial sector in Al-Tabqa is relatively new and small. It includes factories to produce irrigation supplies and some sewing workshops. There are public sector factories, oil fields and new refineries.
- c. Trade:** Livestock, grain and animal product trade such as milk and wool are considered the most important. In addition, car trade has flourished in Al-Tabqa before ISIL control, and has remained that way afterwards.
- **Real-estate Trade:** the price per square meter of construction lands ranges between SYP 5,000 – 20,000, the price for square meter of ready-for-housing construction ranges from SYP 25,000 to 40,000, and the price for a residential apartment with an area of 100 square meters ranges between SYP 1,500,000 – 2,000,000. Residential and commercial properties in Al-Tabqa used to be state owned before they were sold to their occupants in 2000 for installments, which led to a booming in the sector between 2002 and 2012 when prices reached up to \$25000 USD in 2012.
 - **Food Trade:** Sales volume reaches \$500,000 per day.

- **Fish Trade:** Provides a good income for workers in the field (fishermen and traders) despite the decrease in fish population due to illegal methods of fishing and negligence.
 - **Oil Trade:** A bazaar for oil was established in the Northeast of Manbej. Despite the existence of oil and gas administration establishments, and the coordination of protection of oil and gas wells in Al-Tabqa between ISIL and the regime, the opposition forces took control of oil wells close to Al-Tabqa until ISIL took control and monopolized the trade in Thawra, Jabari and Twinan fields.
- d. Services:** It is difficult to find information in numbers about the volume of service production, due to the diversity of service providers, and the fact that ISIL is monopolizing the fees of public services such as power, water and oil.



3. Estimation of income levels

The living standard of the people of Al-Tabqa and its residents is considered relatively average compared to the living standards of the Syrian people. Middle-class constitutes the majority of people of the city.

It is difficult to estimate the average income per capita in Al-Tabqa in 2014 specially, because of the difficulty to calculate the total income and the change in the number of residents. It ranges between \$3,500 – \$4,500 this year, according to estimations and figures, which we were able to obtain. That was done taking into consideration the absence of many services, and the decrease in value of some goods, and the decline in the value of the Syrian currency.

4. Basic commodities

All basic commodities are available in Al-Tabqa. However, gas is considered one of the unavailable basic commodities these days.

5. Basic Services

- a. **Power:** Al-Tabqa is mainly supplied with power from The Euphrates Dam Power Station in Al-Al-Tabqa City. Electrical infrastructure was not affected by the bombing of the regime or the Coalition. It is noted that power had been supplied for free in Al-Tabqa until the invasion of ISIL when a monthly fees of 500 SYP were imposed. Currently, there are rationing hours for electricity in Al-Tabqa as power is supplied only for three hours a day via the network. As for generators' electricity, the price (Ampere) is SYP 400/month activated for 8 hours a day.
- b. **Water:** Water is pumped to Al-Tabqa from Abu Huraira pumping station. It currently pumps water for 6 hours a day for a fixed bill of SYP 500/month. The price of a water tank is SYP 500, and the tank's capacity is 10 barrels (2 cubic meters)
- c. **Telecommunications:** Syrian land and mobile communications in Al-Tabqa stopped for 2 years. During which people relied on the internet as an alternative. Landlines service restarted inside the city and people pay a fixed bill of SYP 100 to ISIL for telecom services. Now, some wireless internet networks with a satellite or a Turkish origin are operating as an alternative to the lost communications and internet with a price of 100 SYP for 350 MB.
- d. **Health:** There are several medical facilities currently operational in the city.
 - National Hospital in Al-Tabqa: Performs most surgical operations such as bone surgery.
 - Obstetrics Hospital.
 - First Area Hospital: An old general hospital
 - First Area Polyclinic: An old establishment that still provides medical services to Al-Tabqa residents.

The remaining doctors and nursing staff in Al-Tabqa work 1 day/week or 24 hours/week in hospitals controlled by ISIL forces, and they are forced to work without pay unless the doctor or nurse swore allegiance to them, then he/she receives a wage from ISIL.

Those who are absent from the compulsory day in hospitals, are punished by closing down their private clinic or by imprisonment. These conditions have led to only a small number of doctors remaining there.

ISIL has established a faculty of medicine to replace missing medical services in Al-Raqqah.

6. Infrastructure

- Power grid: Completely sound, and it is periodically maintained by Muslims Services Body of the Islamic State.
- Water grid: Drinking water grid is existent and functioning.
- Sewage Network: Operational and intact.
- Roads Network: The roads in Al-Raqqah are open and in good condition, and did not suffer like roads in the rest of liberated cities from bombing and negligence. We noticed in our visits the cleanliness and wideness of roads, and the traffic police of the Islamic State organizing the busy traffic. There are no traffic violations except from members of the ISIL, especially the security members, which do apparent, deliberate and provocative violations.

7. Living Standard

The living standard of the people of Al-Tabqa was low before the revolution, but has improved shortly after, to worsen again after the ISIL control. ISIL has forced a rigid System on

commercial and human capital in addition to the shortage in resources. ISIL has also forced stores operators to pay rent. In addition, life in Al-Tabqa relies mainly on wages.

8. The impact of inflation on the population's life

The impact of inflation is evident in Al-Tabqa, for most of its people are employees, and the Syrian pound has lost most of its value against other currencies. This exhausts the citizen who receives his/her income in Syrian Pound. Money coming from outside the borders can hardly balance the scales or effectively help the economy mend the inflation crack, especially because most of the coming money is in the hands of ISIL who does not have any general developmental operational plans.



9. Prices of food

Item	Unit	Price (SYP)
Bread	Pack	100
Sugar	1 kg	250
Freshwater Fish	1 kg	100- 500
Lamb	1 kg	1800
Whole Chicken	1 kg	550
Ghee	1 kg	2000
Margarine	1 kg	325
Lentil	1 kg	300
Tomato	1 kg	75
Eggplant	1 kg	100
Potato	1 kg	40
Egg	30	700

10. Prices of fuel, metals, and construction materials

Item	Unit	Price (SYP)
Diesel Fuel	1 L	80
Gasolin	1 L	500
Refined Gasolin	1 L	100
Fuel Oil	1 L	90
Propane (for ISIL members)	canister	800
Propane (for citizens)	canister	3800
Crude Oil	Barrel	8000-10000
Gold (18k)	1 g	7970
Gold (21k)	1 g	9300
Gold	ounce	US \$1093

11. Price evolution throughout 2014 and 2015, and its causes

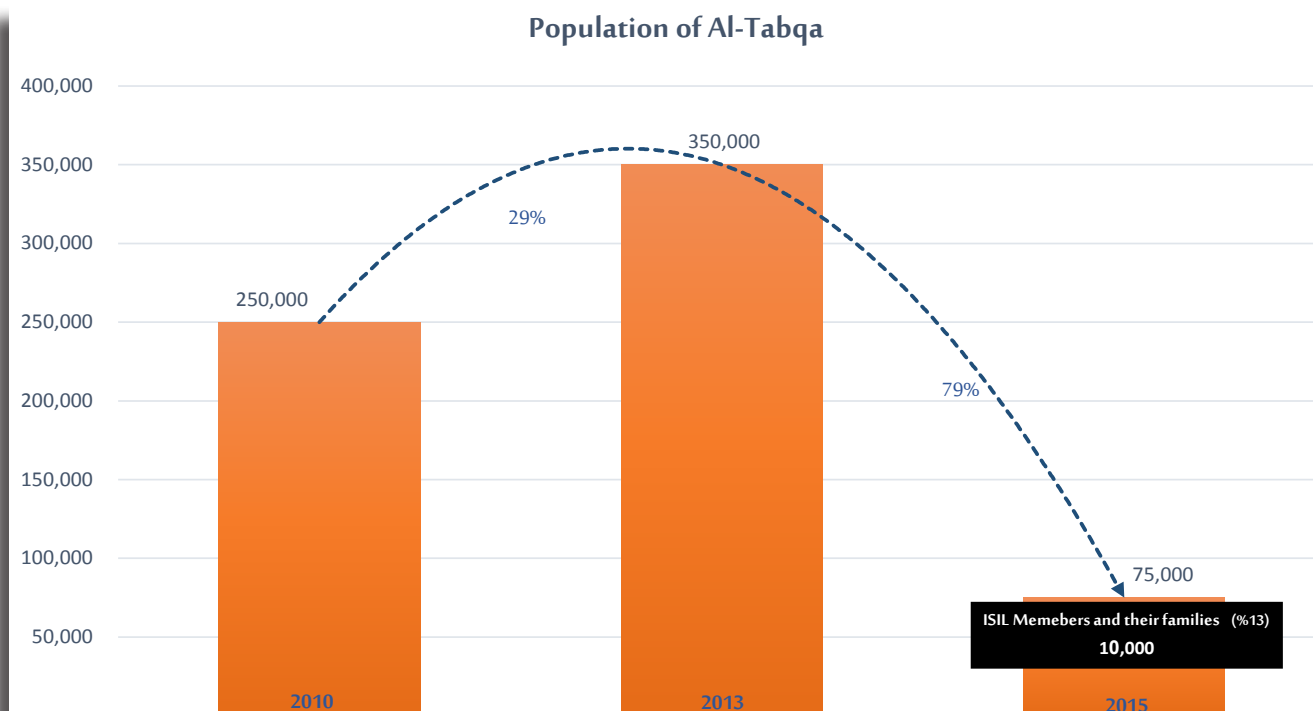
The Prices have increased from the beginning of 2014 to now, 2015, by 10-20%. That is due to a number of factors:

- Closing of Tell Abyad Border Crossing with Turkey after ISIL control of Tell Abyad City and Al Maabar.
- The war ISIL waged on Kobanî led to disturbance of the economic situation in Al-Raqqah and Al-Tabqa, and disconnecting of traders, students and people of Kobanî from Al-Raqqah, which have negatively affected the economy of Al-Tabqa.
- Strikes of the International Coalition led to migration of some resources, which have stopped some kinds of trade and transportation for a while. This causes a turbulence in the prices before the market recovers again.
- Shortage of the agricultural season (crops) this year, so prices increased in Al-Tabqa and all over Syria.
- Draining Al-Raqqah during the ISIL battles with Ahrar ash-Sham Movement in the beginning of 2014 before the ISIL gained control of the city. This have obstructed the economic life in the first month of 2014.
- Battles of ISIL in the 17th Division and Al-Tabqa Airport against the regime have led to the instability of economic life in Al-Tabqa.
- Strikes of the Coalition against ISIL in the areas of oil wells have led to the increase of fuel prices by 15% with winter approaching and the high cost of heating fuel, which warns of an increase in all prices.
- The partial separation from Aleppo as a result of ISIL's control.



The Social and Demographic Condition

According to 2010 census, the population of Al-Tabqa reached around 250,000, of which, third was the original residents while the rest have migrated from all over Syria. Around 750,000 have arrived from the rest of the Syrian cities in the beginning of the revolution in 2011 and 2012. After liberation in 2013, Al-Tabqa became the destination of many Syrian families from hot zones such as Deir ez-Zor, Aleppo and Homs; the population reached around 350,000. However, the control of ISIL, which was preceded by bombing of the regime and succeeded by bombing of the International Coalition, has led to the displacement of most of the population. There are estimates that Al-Tabqa currently contains only 75,000 citizen in addition to the number of ISIL members and their families that amounts to about 10,000 (around 1000 and 1500 families). ISIL members originate from Arab and European countries as well as from Australia and the US.



1. Demographic Age Groups

There is no accurate statistics about the age groups of the population, because of the total absence of the body or institution of specialized statistics, and as a result of displacement conditions and lack of registration of births and deaths. However, stats elicited from some credible relief organizations reveal that the active age group (age 15 to 60), which is the productive or under arms group in wars communities, has declined. This is because of the displacement, and the migration for work or for political and humanitarian asylum, especially to the EU countries.

- Under the age of 15 years: currently 55-65%.
- Age of 15-60 years old currently 25-30%, this is the active or working group, which is used to be more than 35% of the population before the revolution.
- Over the age of 60 years: 10-15%.

Al-Tabqa is currently devoid of young people, most of its population are elders and temporary visitors. Minorities (Shiites, Alawites and Ismailites) have fled the city since its initial liberation while most of the Christians fled after ISIL's control of the city who confiscated their properties and imposed Jizya (Non-Muslim tax).



2. Education

- ISIL has closed all schools for almost a month, then reopened them but in its own way, in the middle of January 2015, where:
 - They replaced the curriculum with another, and the name of "Education Department" became "Diwan of Education"
 - 12 schools for boys and 12 schools for girls were introduced.
 - Teachers willing to continue teaching were subjected to a Sharia course, and whoever does not attend that course is not eligible to teach in schools.
- Salaries of teachers are from the Assad's regime, ISIL does not pay any wages unless the teacher is a member of ISIL.
- Private tuition in homes or offices is forbidden, and violators are subjected to the harshest punishment such as flogging and imprisonment.
- ISIL has introduced a faculty of medicine in Al-Raqqa, the duration of study in

which is 3 years.

- ISIL has abolished old curriculum, and prevented the teaching of some subjects such as history and philosophy.
- It has also renamed schools after ISIL-related names, such as “Abu Musab al-Zarqawi”



3. Rent and Life Conditions

- Rent for residential properties ranges between 5000-10000 SYP, while commercial rent ranges between 5000-4000 SYP depending on location.
- Al-Tabqa has many local markets that consist of gatherings on shops whose owners were given free housing by the state up until 2000 when the state sold them their houses and charged monthly fees for their stores until the price of shops have been paid. However, in February 2015, the people of Al-Tabqa in the first, second, and third districts woke up to find their shops had been appropriated by ISIL and fees imposed on their businesses. Average of 35,000 SYP must be paid to ISIL monthly per shop to allow its owner to continue operating their businesses.
- ISIL has imposed strict social rules such as smoking ban and forced women to dress in certain style while banning pants, shirts, skirts and the like, all colours have been banned except black. Those who broke the rules will face either imprisonment or attendance of religious courses with period of time that is set by ISIL. In addition, women are forced to buy the specified ISIL dress and to hand in their other clothes to be burnt.
- ISIL has imposed certain appearances on men; such as allowing the beard (to grow), prohibiting barbers' to perform certain types of haircutting, and preventing smoking and selling of smoke.



Administrative Condition

Al-Tabqa is a district center in Al-Raqqa Governate and is followed by two areas: Mansoura and Jarnieh, however, ISIL has made it Emirate followed by “Wilayah Al-Raqqah” An area is called (“Emirate” and a governorate is called “Wilayah”). All locally-formed administrative structures before and during the revolution were abolished and replaced by new bodies that follow ISIL.

The municipal council was replaced with “Muslim Services Body”, which is now providing services. ISIL also converted a security prison into the Finance Bureau.

In addition, ISIL has founded:

1. Traffic and Driving Accident Police.
2. Consumer Protection Agency.
3. Hisbah (Accountability) Agency, which is an executive power that monitors violations in the street such as women’s dress, it has a special women force to deal with women, and combating smoking and selling of smoke. And this agency provokes the remaining population of Al-Raqqah to the highest degrees.
4. Zakat Collection.
5. Media Office.
6. Affiliation Office.
7. Mujahedeen (Fighters) Affairs Office.
8. Islamic Police: a judicial police and executive authority to implement Hudud and punishments.
9. State Security: a secret intelligence agency, all its members are masked, whether investigators or executives. It is currently located in the Consumer Association building in the second area of Al-Tabqa city.



1. Courts

ISIL Sharia Courts are prevalent, and they are divided into specialized courts:

- Hisbah Court, which is a court concerned with violations and their punishments.
- Zakat Court
- Personal Affairs
- Security Office Courts which is a special court separate from other courts

2. ISIL's Formations

ISIL formations all lie within ISIL, but some formations belong to the countries that they came from, such as the Uzbek battalions and Umar Al-Shisahni (The Chechen) Brigade (The military commander of ISIL).

The majority of ISIL members of police and fighters are strangers to Al-Tabqa City, and most of them are from outside of Syria.

Islamic State took control of Al-Raqqah City in the beginning of 2014 after fierce battles with Ahrar ash-Sham Movement, Tawhid Brigade, factions of the Islamic Front and the Free Syrian Army. It has spilt the blood of many of Ahrar ash-Sham fighters inside Al-Raqqah in particular and on the edges of the 17th division. More than 100 fighters of Ahrar ash-Sham were killed treacherously from behind while stationed on the 17th division. It has swept through Al-Raqqah and extended its control over it and the surrounding cities such as Al-Tabaqa and others. This has led to the fallback or surrender of most members of FSA and the militant factions. ISIL has insisted on Istitabah (Asking for repentance) of all who carried arms during the Syrian revolution and hand over their weapons, which prompted many activists and revolutionaries to either migrate or give up arms and sit in their houses.



Conclusion and Recommendations

3. Economically reconnect Al-Tabqa City with the liberated Aleppo Governorate and preserving the resources of Al-Raqqah to support the Syrian economy once again.
4. Reclaiming the Syrian water and power resources that ISIL is controlling such as the Euphrates lake and dam.
5. Reclaiming oil wells in Al-Raqqah governorate which constitute an important income source to the Liberated Syria.
6. Sending medication to people in Al-Tabqa, especially for nerve and cardiovascular diseases and diabetes.
7. Mitigating the effects of bombing whether by the regime or the International Coalition.
8. Improving the infrastructure, and activating the role of professional syndicates, such as Liberated Engineers, Teachers, Doctors, and economists.
9. Being civilly and militarily prepared to accommodate the outcomes of a sudden and expected collapse of ISIL after the strikes of the Coalition and the ISIL defeat in Ayn al-Arab.
10. Filling the void that could be caused by the collapse of ISIL, if it actually happened, or if it retreated from Al-Raqqah Governate, with pre-prepared economic plans to restore the Syrian oil wealth to the liberated Syria.