

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.

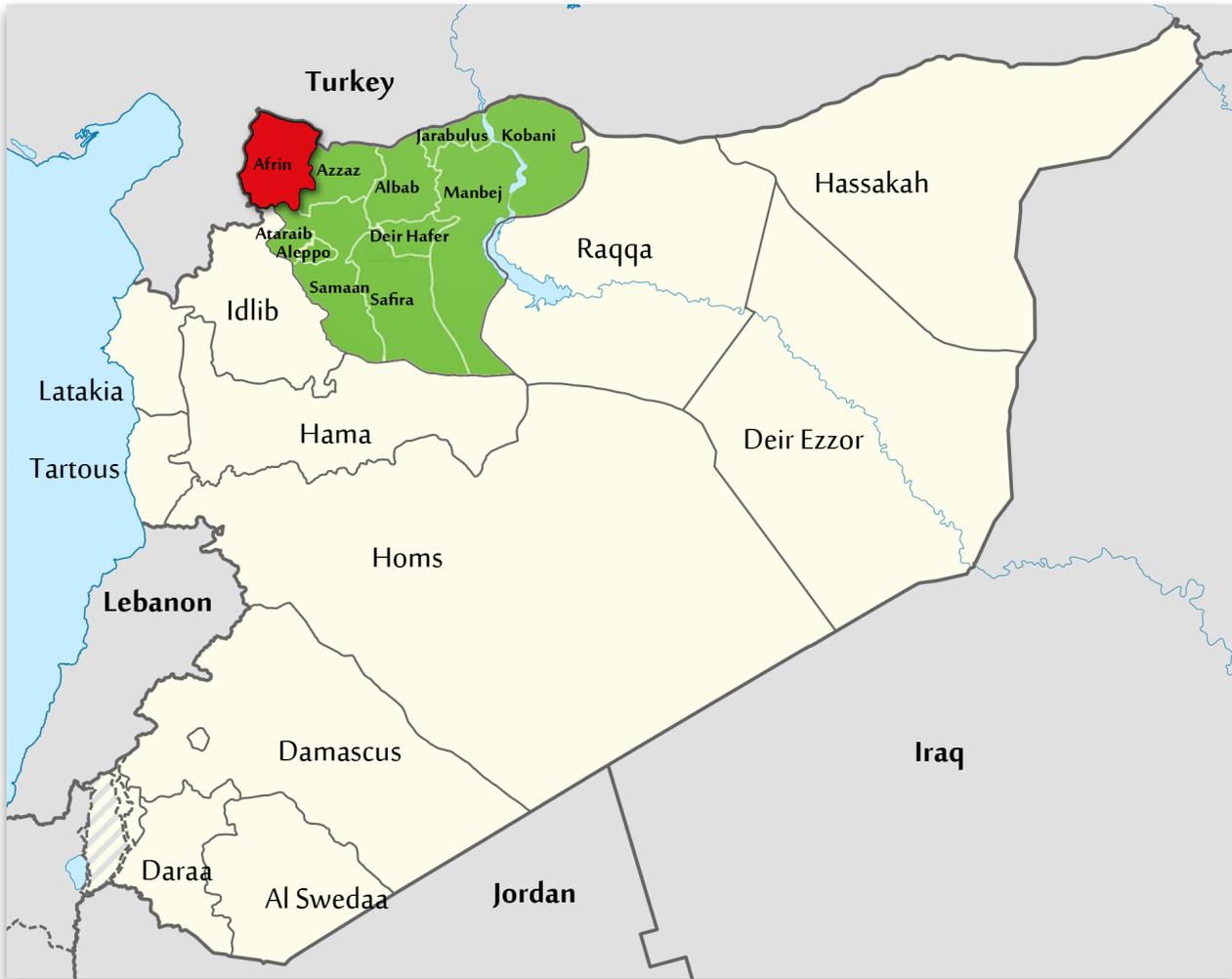
Research Methodology

In our research, we use the mechanisms of Microeconomics and Meso-economics 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 Aleppo 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

Afrin is a district capital that is administratively under Aleppo Governorate, it lies in the Far North of Syria on the Turkish borders from the North and West. It is administratively followed by the following subdivisions: Bulbul – Jandairis – Rajo – Sharran - Shaykh al-Hadid – Maabatli. It is a Kurdish-majority district. It is known that the Assad regime retreated from the Kurdish districts after the revolution, and an autonomy administration for the Kurdish provinces was established, so now we have in Afrin district the Democratic Autonomy in Syria (Afrin Province). In this research that was carried out in April 2015, we explore the economic situation in Afrin city by means of field research and microeconomic and sectorial analysis of the safest city in Aleppo governorate, or rather the safest Syrian city outside the Assad’s regime control, which may also be the most crowded.



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 Afrin is mostly based on olive, then pomegranate and coconut trees with a few areas where wheat is cultivated. It constitutes the source of income to many of Afrin citizens, since most of them has vast areas planted with olive that secure a good income for them. The daily-worker's wage is SYP 800-1,200.
- **Manufacture:** A source of income to the factories and workshop owners, or the craftsmen and workers that work there. 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 1,200, while the weekly worker's wage ranges from SYP 10,000 – 15,000.
There are a number of large factories and industrial facilities in Afrin, especially those agriculture-based, such as olive mills and Olive-Mill Pomace and coal factories. In addition, clothing factories have moved to Afrin from Aleppo City after the revolution. The wages of workers in clothing factories and workshops range between SYP 5,000 – 25,000 per week.
- **Trade:** Trade has flourished in Afrin City after the revolution much more than before, especially after ISIL retreated from Azzaz City and the northern and western countryside of Aleppo. Afrin became a safe resort for capital in Aleppo City and Countryside and some commercial investments. The weekly wage of trade workers ranges from SYP 5,000 to 25,000.
The autonomy administration in Afrin has set a commission of 2% to workers in real estate and automotive via the syndicate of real estate and automotive workers, where this commission is taken equally from the buyer and seller.



- **Services:**

- **Private water wells:** Provide a source of income for its owners and the water transport workers.
- **Power Generators:** Provide a source of income for their owners, which includes sales of generators and wages of workers and technicians.
- **Telecommunication networks:** Secure an income for their owners, investors and workers in that sector that includes sales of wireless internet service. Telecommunication is mainly internet-based due to long intermittent periods of communication cut-off in Afrin. Syrian cellular coverage on the two networks MTN and Syriatel is still available, branches of each company still exist in Afrin City, and coverage has returned to them. Some shops activate Turkish phone lines and sell credit on the Turkish networks.
- **University-based Professionals:**
 - Doctors are still doing their jobs in clinics and hospitals.
 - Engineers: There is the Engineers Chamber of Civil Society Organizations Administration. The chamber has imposed a construction license fee of SYP 147, divided equally between the engineers' chamber, the municipality and the local administration authority.
 - Lawyers: Lawyers receive fees for hiring and reimbursement that they apply to courts. There is a Lawyers Union in Afrin.
- **Fuel oil, firewood and gasoline sector.**
- **Money and currency exchange sector:** a huge sector in Afrin in terms of trading volumes.
- **Transportation sector** (including transportation of passengers and shipping): Afrin is currently a center for transportation and shipping between Aleppo City and its districts that are under the regime's control. The wages of drivers are a portion of the vehicle's income.



B. Income Sources in the Public Sector

- Salaries of government employees: Around 5% of government employees' salaries were suspended for security reasons, for their activities either in the Syrian revolution or in Kurdish parties. The rest of the employees still receive their salaries from the regime. The regime has kept some of its circuits in Afrin City until recently. The salaries range from SYP 10,000 to 50,000.
- Grants of autonomy administration employees, which are considered non-periodic salaries and range between SYP 15,000 – 25,000.
- Grants of employees and workers of civil and relief organizations which range between \$200 – 900.
- Salaries of the police force (Asayish) are \$100 per member with in-kind subsidies.
- Salaries or grants to members of People Protection Units are around \$100, but they are non-periodic, and there are in-kind subsidies for them.
- Transportation Vehicles income, including trucks, passenger transportation and cars. The proportion of the driver's wage from the vehicle's income is up to 30-40%.
- In-kind subsidies from all sides, and it secures about 15% of the population needs, or saves around 25% of their expenses.

2. Production Volumes

- Agriculture:** Olive is the main crop in Afrin with 18 million olive trees. The olive production this year, i.e. the estimations of the next season, is estimated to be approximately 1 million ton. In addition to olive trees, there are 30,000 pomegranate trees in Afrin District as well as grape, cherry, watermelon and cucumber crops, all of which are above the self-sufficiency of Afrin.
- Manufacture:** Afrin has the following manufacturing facilities:
 - 20 large olive pomace factories.
 - 20 coal factories (Waterpipe 'Arghila' Coal) made from Olive Pomace.
 - 250 Olive oil mill, which operate on contract basis.
 - Aleppo soap (Ghar soap) factories and workshops. The most prominent brands are Kifo, Birem and Eisha among others.

- Conserves factory and sliced potato factory.
- Water mobilization factory.
- 400 clothing factory and workshop most of them produce denims. They are now under the Clothing Producers Union (The most prominent of which are Zanzan, Black River, Rooney Jan, Hamid factories).
- Three oil refineries.
- Around 20 mines and building materials quarries that take their licensing from the Investment Regulation Authority. The mine investor pays SYP 50 per square meter. There are also marble mines in Rajo and Bulbul subdistricts.



- c. Trade:** Afrin has become an important trade center in the Syrian North for all kinds of goods. Many liberated-area merchants invest their money in Afrin or in the trade of goods from and to it. Olive trade is considered the most important in Afrin, followed by Olive pomace, coal and soap trades. Car trade has also flourished in Afrin whether the used European cars exported via the border crossings with Turkey, or the ones exported via the regime-controlled ports.
- **Real-estate Trade:** One of the most flourishing trades in Afrin, which may rather take the first place in Syria in construction projects due to the overpopulation and the increasing demand for residential and industrial complexes.

- * Price of construction land square meter ranges between SYP 1,500 – 50,000.
- * Price of ready construction square meter ranges between SYP 15,000 – 25,000.
- * Price of a 200-square meter modern residential house ranges between SYP 1,800,000 – 3,000,000.

- **Food Trade:** Sales volume reaches \$3 million per day.
- **Oil Trade:** A bazaar for oil was established in the Northeast of Al-Raqqah City on Al-Jazeera Road. Protection of oil and gas wells in Al-Raqqah governorate is coordinated between ISIL and the regime. For example, we mention the story of Tuwaynan gas field and factory.

d. Services:

- Electricity: The price of power ampere is SYP 500/week activated 12 hours a day.
- Water: Each meter pays SYP 1,000/month for the service of activating water. Investment Regulation Authority has granted an investor a 1-year commitment, who has committed to repair Midanky pumping station and to repair and install the water network in Afrin City for SYP 1,000/month paid by each house. The contract

ended in the beginning of 2015, and the autonomy administration has continued to invest in water.

- **Telecom Networks:** There are 16 wireless telecom internet providers, which are licensed by the telecom authority (Rojava Telecom). Moreover, the landline division is for within Afrin only.

3. Estimation of income levels

The living standard of the people of Afrin has improved after the Syrian revolution, especially after the beginning of 2014, for Afrin was open to all its Syrian and Turkish surroundings. In addition to its distance from the military conflicts after the retreat of ISIL from Northern and Western Aleppo Countryside, and that fact that the Kurdish areas are not being bombed by the Assad regime. The autonomy administration has sought to manage the economy, set the prices, encourage, and regulate investment. All, which has been positively reflected on the people of Afrin by improving the living standard.

4. Basic commodities

All basic commodities are available in Afrin, but gas is considered the unavailable basic commodity.

5. Basic Services

- Power:** Afrin is mainly fed by Tell Rifaat station, which has been cut off semi-permanently for over a year, while the power network is perfectly sound.
- Water:** Water used to be pumped to Afrin and Azaz from Midanky pumping station twice a week. It was cut off to both cities for a year after the liberation of Azaz. But in Afrin, the pumps in Midanky were fixed, and Shahin Company has fixed the water network and the pumping station in exchange for investing water in Afrin for one year. There is a drinking-water treatment station in Sharran.
- Health:** There are several medical facilities currently operational in the city.
 - Afrin Hospital: Semi-paid for the public and free for the military including the wounded members of FSA. It has a CT scanner, and various surgeries are performed there. The dean of medicine is the orthopedic specialist Dr. Kawi Hassan. In addition to all other specialties and non-urgent case clinics, the hospital has a pediatric department with 36 beds, a gynecology department under renovation and expansion and cardiac catheterization department under construction.
 - Afrin Surgical Hospital
 - Qanbar Hospital
 - Deirseem Hospital
 - Jihan Hospital
 - Kurdish Red Crescent Center: A health center that provides basic health services and family care.
 - Al-Ihsan charity organization dispensary in Rajo.
 - Awsam Medical Organization Point: Cardiac – Interior – Pediatrics – Psychiatry clinics
 - Behar Organization supports Leishmania vaccines, and provides pharmaceutical, food and in-kind subsidies.



6. Infrastructure

- Power grid: Perfectly sound. It is periodically maintained by the electrical power authority in the autonomous administration.
- Water grid: Drinking water is available, it is maintained by Shahin Company as stated.
- Sewage network: Existent and functioning. The municipal council of Afrin carries out its periodic maintenance.
- Roads Network: in Afrin are currently in poor condition due to the overcrowding and lack of maintenance. There is a project to extend 20 km of asphalt, which was brought from Zanki Motion Asphalt Quarry.

7. Prices of food

Item	Unit	Price (SYP)
Bread (subsidized)	1 Pack	65
Bread	1 Pack	100
Sugar	1 kg	165
Powdered Milk - Nido	900 g	1800
Lamb	1 kg	1900
Chicken	1 kg	250
Potato	1 kg	40
Cow Milk	1 L	125
Sheep Milk	1 L	220
Bulgur	1 kg	90
Rice	1 kg	225- 260
Ghee	1 kg	2600
Margarine	1 kg	350
Butter	1 kg	450
Olive Oil	1 kg	720
Grounded Lentil	1 kg	300
Flour	50 kg	4500
Tomato Past	1 kg	300
Tomato	1 kg	90-125

Turkish Apple	1 kg	150
Afrini Apple	1 kg	100
Banana	1 kg	220
Tahima	1 kg	600
Halva	1 kg	375
Egg	30	550



8. Prices of fuel, metals, and construction materials

Item	Unit	Price (SYP)
Diesel Fuel	1 L	80-95
Gasolin	1 L	500
Propane	canister	3800
Crude Oil	Barrel	8000-12000
Fuel Oil	1 L	100
Gold (18k)	1 g	7950
Gold (21k)	1 g	9100
Gold	ounce	US \$1089
Cement	50 kg	1400
Rebar steel	1 kg	125

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

The Prices have increased from the beginning of 2014 to now, 2015, due to a number of factors:

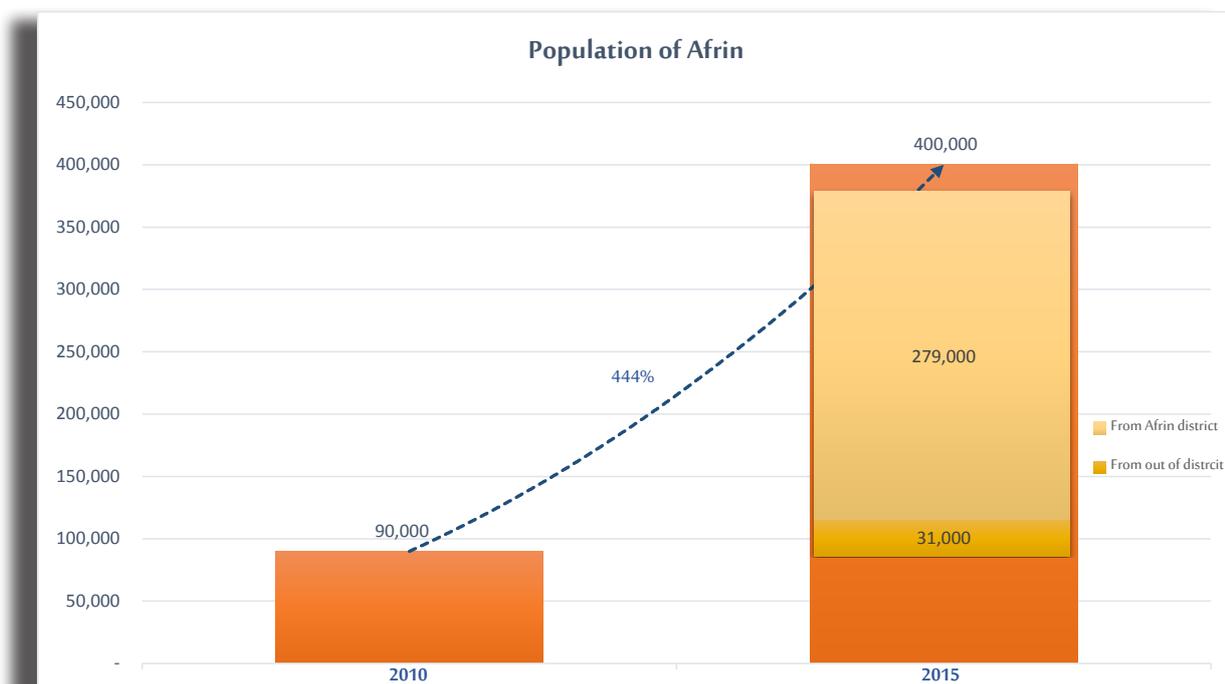
- Prices in Afrin change according to the status of roads from and to it as well as the political and military conditions with its neighbors and passages (Azaz- Darat Izza)
- Prices in Afrin are higher than the rest of cities and towns due to the unregulated openness in the beginning without any controls and after years of isolation.
- Taxes collected by Autonomy administration organization and duties on goods entering Afrin force merchants to increase their prices inside Afrin.
- Many basic commodities come to Afrin from outside, which increases the transportation fees and final prices of goods.
- The intermittent siege that Afrin suffered from increased the fluctuation of prices and contributed to its increase since 2013. Prices did not go down after the siege was lifted.



The Social and Demographic Condition

The population displacement in Afrin exceeds 400% as the Population of Afrin City reached 400,000 inhabitants in 2015 compared to approximately 90,000 in 2010. The percentage of immigrants from outside Afrin District is about 10%.

It is known that the majority of Afrin and its subdivisions are Kurds, with the existence of some Arab suburbs whose population are from the residents of Afrin City such as the clans of (Bobna, Na'im, Boghanim, Magadma, Gys). It is also connected to, and followed by some Arab and ethnically mixed villages.





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 leak 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%.

In Afrin, a large proportion of the active age group has migrated since before the revolution, however, the percentage of immigration amongst youth and families during the revolution has increased.

2. Education

Education in Afrin is a completely different story. Teachers and students kept on attending the schools according to the regime-set curriculums while holding exams in the suburbs of the regime-controlled Aleppo City, under the supervision of the educational society of the Assad regime. Teachers in Afrin kept receiving their salaries from the regime until last March, after threats of cutting salaries that went on for the last four years.

Moreover, the National socialist education subject was abolished from the regime-set curriculum which was reinstated in Kurdish language from first to third grades, while from fourth grade onwards is still in Arabic. However, starting next year, it will be in Kurdish until the sixth grade while students after fourth grade will be given the choice between curriculums in Arabic and Kurdish.

The Assad regime has threatened to sever its links with education and no longer accepting students of Afrin cities in universities or in secondary stage exams unless the Kurds abolish education in Kurdish language. However, education is still in Kurdish language, and the regime did not carry out its threats.

Last year, secondary certificate examinations were carried out in Afrin, and that certificate is only recognized in Afrin.

There are total of 15,000 students and 2,000 teachers in Afrin as a number of post-secondary education institutions in Afrin established by the Democratic Autonomy – Afrin Province via the Education Authority, such as:

- Medical Institute
- Business Institute
- Agricultural Institute
- Gymnastic Institute
- Performing Arts Institute
- Computer Institute
- Kurdish Language Institute: an institute to prepare Kurdish language teachers, and does not follow the Education Authority. It has 200 students

3. Bakeries and rental cost

- Afrin City Bakeries:
 - Afrin Backup Bakery, bakes 30 tons of flour every day.
 - Three private bakeries, one of which is very new with a capacity of 8 tons/day.
- Residential rental ranges between SYP 6,000 – 25,000.
- Commercial rental ranges between SYP 10,000-180,000 according to the type of trade or work and based on the area and location of the shop.



Administrative Condition

There is a new form of government in Afrin, or a well-organized autonomous administration. In the Kurdish-majority districts, the Democratic Autonomy was established in three provinces; Afrin Province, Kobani Province (Ayn al-Arab), and Al-Jazira Province.

1. The Democratic Autonomous Administration in Syria

- There is an elected legislative council, which appoints the head of an executive body who is assigned to appoint the heads of the 22 authorities that generally run the province:

1. Health Authority	12. Economy Authority
2. Telecoms Authority	13. Human Rights Authority
3. Supply Authority	14. Education Authority
4. Women's Authority	15. Finance Authority
5. Culture Authority	16. Antiquities and Environment Authority
6. Youth and Sports Authority	17. Religious Affairs Authority*
7. Energy and Underground Resources Authority	18. Martyrs' Families Authority
8. Agriculture Authority	19. Interiors Authority
9. Transportation Authority	20. Social Affairs Authority
10. Justice Authority	21. Municipal Authority
11. Defense Authority	22. Exterior Relations Authority

* One of the deputies of the authority is a member of the Yazidi minority that constitutes less than 1% of Afrin population.

- There is also an Investment Regulation Council, which consists of 8 bodies (Economy – Finance – Agriculture – Power – The head of Economic Development Center – The head of the Executive Body and his two deputies).
- There is the Free-Media authority, which is an independent authority from the executive body. Its headquarters is in the Assad Regime Military Security headquarters in Afrin, in a symbolic move to transform the center for horror and oppression into an independent civil media authority.
- There is a Kurdish-language satellite channel that speaks in the name of Afrin Province. It is called "Ronahi TV", and it broadcasts in Afrin Kurdish and Sorani Kurdish, and at certain periods, in Arabic and European languages.



2. Courts

- Personal Affairs Court of the Assad Regime in Aleppo City.
- Civil Register circuit dedicated only to the people of Afrin District nowadays. Afrin used to be a single center to all the residents of Aleppo Countryside to perform governmental transactions, but it stopped doing that since the beginning of 2015 to the non-residents of Afrin District.
- People's Courts: Consists of prosecution, criminal and appeal courts. There is a judiciary council to manage and appoint judges, and there are civil reconciliation commissions consisting of prominent people of Afrin, Arabs and Kurds, that attend the court and try to resolve disputes before litigation before the court.
- A judicial agreement was concluded between Afrin Province and the Sharia Authority in the Levant (Ash-Shamia) Front, last February to extradite the wanted in the two districts (Afrin and Northern and Western Aleppo Countryside).

3. Military Factions

There are a number of militant factions in Afrin District. The most prominent of the forces of the Defense Authority of the autonomous administration:

- **People's Protection Units (YPG)**

It serves as an army in control of the whole Afrin District. The most important characteristics of this army the existence of a considerable number of female fighters unlike the rest of the militant factions in Syria. YGP is responsible for the protection of Afrin and its subdivisions, and it has fought battles against ISIL. It is spread in the Kurdish-majority suburbs of Aleppo such as Sheikh Maqsood and Ashrafiyye.

It is commonly known that YPG is a military wing to the Democratic Union Party (PYD), which is the Syrian wing of the Kurdistan Workers' Party (PKK). However, this is not true according to the people of Afrin; for YPG fighters are from all classes of Kurdish youth and parties, despite the fact that pictures of the historical leader of PKK, Abdullah Öcalan, are found in all squares of Afrin and the offices of the Democratic Autonomy.



- **The Police Force (Asayish)**

It is a criminal and judicial police in addition to traffic police whose members are from both genders.

- **Other Military factions**

- **Salahuddin Brigade**
- **Kurdish Front Brigade**
- **Shahid Yusuf Brigade**
- **The Islamic Kurdish Front** (has merged with Ahrar Ash-Sham Islamic Movement).

Armed persons of FSA are not allowed to enter or pass by Afrin except according to an official mission, under exceptions, and without heavy weaponry according to the concluded agreement in the beginning of 2014 between FSA and YPG.



Conclusion and Recommendations

1. Economic coordination and linkage between the liberated districts and Afrin.
2. Not to neglect Afrin District since it is a commercial and administrative center of the Syrian revolution organizations such as the coalition, the interim government, and the Military Support and Militant Factions Coordination Unit, and utilizing them and exchange of experiences with the brothers in the autonomy administration.
3. Breaking the ice between Afrin and the liberated areas. So far we find the movement of our Kurdish brothers in the liberated area to be weaker than the movement of people of the liberated areas inside Afrin.
4. Suppressing the racial prejudices that the Assad regime is fueling, and concluding similar agreements to the judicial and criminal exchange between the two sides.
5. Focus of the Arab Satellite channels on the Afrin District experience and the Democratic Autonomy provinces in Syria (Afrin, Kobani, Al-Jazira)
6. Studying the political and demographic situation thoroughly in the Kurdish areas and preventing the conflicts and disputes.
7. Presenting assurances by both sides in an open economic atmosphere, since the economy is a key proof of strengthening ties and working together to topple the regime.
8. Opening offices for human, relief and developmental organizations, and utilizing the safe and open situation in Afrin to aid the liberated Syrian interior.
9. Concluding economic agreements and liberating the commerce between the autonomy administration and the economic offices in the militant factions and the Liberated Aleppo Governorate Council.