OSOUL
ECONOMIC AND SUSTAINABLE DEVELOPMENT
للتطوير الاقتصادي والتنمية المستدامة

Cost of Living Survey Results after the Exchange-Rate Adjustment

Osoul Foundation for Economic and Sustainable Development

Second release — data to 3 November 2026



Executive summary

- **Eroding purchasing power:** Households have lost between 14% and 17% of their purchasing power for food. Almost half (53.3%) say they now spend 20% or more on the same quantities.
- **Two layers of inflation:** The food basket is +16.4% above April prices. Imported goods rose +21.9%, about 6.7 points more than the exchange-rate adjustment (15.2%), and local goods rose +18.1% despite their limited dollar content. This points to inflation generated inside the market on top of imported inflation.
- **Local services rose too:** A third of dinar-denominated rents rose 10% or more, and 45.8% of households saw private tutoring fees rise 10% or more.

Burden on Income and Solutions

- **Burden on income:** Half of renters (52.9%) pay a third of their income or more in rent. Food, rent and tutoring together exceed the income of an estimated 30.3% of households.
- **The customs exemption has not reached people:** 90.4% noticed no price decrease or had not heard of the decision, and 87.2% rate the government's measures as weak.
- **Inflationary expectations:** 71.0% expect the dollar to rise within three months (net balance +68 points), which can fuel a second round of price increases.
- **Solutions:** Raising salaries comes first (46.3%), rising to about half among private-sector employees, while public-sector employees prefer cost-based price monitoring and targeted support. 71.3% always or usually buy local products when price and quality are similar.

1. Headline indicators

Indicator	Value	Type	Definition
Food basket index	+16.4%	Composite	Average gap between the median price paid for ten items and the Central Statistics Organization (CSO) price, April 2026
Perceived rise in food spending	+21.0%	Composite	Average increase households report for the same quantities since 7 October
Perceived inflation gap vs. exchange-rate adjustment	+5.8 pts	Composite	Perceived rise minus the exchange-rate adjustment
Households whose food spending rose 20% or more	53.3%	Direct	Living-pressure indicator
Renters paying a third of income or more	52.9%	Direct	Housing cost burden, following the US HUD approach
Rent set in dollars	15.9%	Direct	Rises automatically with the exchange rate; 45.2% in the Kurdistan Region
Households paying for private tutoring	52.0%	Direct	Of households with school-age children
Food, rent and tutoring exceed income	30.3%	Composite	Estimate from midpoints of income and spending brackets
Living hardship index (0–100)	52.6	Composite	Food spending rise, food share of income, rent burden, dollar expectations
Customs exemption not felt	90.4%	Direct	Noticed no decrease + had not heard of the decision
Net expectation of a dollar rise	+67.7 pts	Composite	% will rise minus % will fall, as in the University of Michigan index
Government's measures are weak	87.2%	Direct	Weak + very weak

2. Food prices as households paid them

Respondents reported the price they actually paid at their last purchase within two weeks, using price brackets built around CSO prices. The median is interpolated within the bracket that contains the middle response.



Tomatoes are seasonal and their lower price pulls the basket average down. Excluding tomatoes, the basket index is about +20.2%.

2. Food prices as households paid them

Item	Reference price (IQD)	Median price paid	Change	Paid above the reference bracket	Don't buy it
Local Anbar rice (kg)	3,684	4,022	+9.2%	50.7%	37.2%
Imported rice (kg)	2,194	3,012	+37.3%	78.0%	9.0%
White flour (kg)	1,351	1,663	+23.1%	64.3%	20.9%
Sugar (kg)	1,729	2,010	+16.2%	81.6%	18.7%
Cooking oil (litre)	2,928	3,526	+20.4%	89.3%	6.6%
Eggs (tray of 30)	6,542	7,432	+13.6%	65.9%	2.1%
Local chicken (kg)	3,356	4,514	+34.5%	76.9%	5.3%
Lamb (kg)	20,639	23,785	+15.2%	71.7%	6.8%
Tomatoes (kg)	1,629	1,336	-18.0%	12.0%	2.5%
Powdered milk (400 g)	4,142	4,669	+12.7%	46.2%	28.0%

Tomatoes are seasonal and their lower price pulls the basket average down. Excluding tomatoes, the basket index is about +20.2%.



3. Imported inflation and inflation generated inside the market

If the whole increase were a direct effect of the exchange-rate adjustment, imported goods would have risen by no more than 15.2%, because part of their final price is local costs (transport, storage and margins) that did not change in dollar terms, and local goods would have risen much less. The results show otherwise:

- **Imported goods** (imported rice, flour, sugar, cooking oil, powdered milk) rose +21.9%, about 6.7 points above the exchange-rate adjustment. The dollar cost alone does not explain this excess; it reflects pricing ahead of cost.
- **Local goods** (local rice, eggs, local chicken, lamb) rose +18.1%. Local lamb rose +15.2%, almost exactly the exchange-rate adjustment, and local chicken rose +34.5%. The market is pricing local products in dollars.

Local Services and the Gap Between Perceived and Actual Prices

- **Purely local services** rose as well: 30.2% of dinar-denominated rents rose 10% or more within a year, 45.8% of households paid tutoring fees 10% or more higher, and 53.9% get 7 or fewer samoon loaves for IQD 1,000.
- **The gap between perception and prices:** Households feel an increase of +21.0% against +16.4% in the measured basket. Open comments explain part of the gap: goods sold for IQD 250 now cost IQD 500 because the middle banknote denomination is missing (a 100% rise), and traders raised prices on old stock bought at the previous rate.

Interpretation

The results point to two layers of inflation: imported inflation caused by the exchange-rate adjustment, and inflation generated inside the market that adds roughly 6–7 points on top of it. It shows in imported goods priced above their cost, in local goods and services priced in dollars, and in prices rounded upwards. With incomes fixed in dinars, households lost between 14% and 17% of their purchasing power for food, which pushes real demand down. In other words, households are under pressure that resembles stagflation: rising prices and shrinking purchasing power.

Limits of this reading: the reference prices are from April 2026, so the gap also includes six months of normal inflation before the decision. The survey did not ask about quantities purchased, so the contraction in demand is inferred from the loss of purchasing power and from open comments about recession and reduced buying, not measured directly.

4. Burdens on household income

Indicator	Value	Note
Renting	36.2%	Of all participating households
Rent is a third of income or more	52.9%	Cost-burdened (HUD definition)
Rent is half of income or more	24.4%	Severely cost-burdened
Rent rose 10% or more within a year	35.3%	All renters
Renters: food and rent are 80% of income or more	67.5%	Estimate
Households paying for private tutoring	52.0%	With school-age children
Tutoring spending IQD 1m or more a month	17.6%	Of households with tutoring
Food is half of income or more	56.5%	Estimate, for those who disclosed income
Food, rent and tutoring are 70% of income or more	52.6%	Estimate
Households in severe hardship (60 or more)	31.8%	Living hardship index

5. Direct indicators by group (1 of 2)

Group	Food spending +20%	Rent ≥ third of income	Rent in dollars	Exemption not felt	Government weak	Raise salaries	Buy local
All	53.3%	52.9%	15.9%	90.4%	87.2%	46.3%	71.3%
Public sector	50.6%	47.4%	10.5%	81.8%	84.4%	27.3%	77.9%
Private sector	55.1%	52.3%	16.8%	91.5%	87.0%	50.3%	69.7%
Self-employed & daily work *	47.2%	66.7%	16.7%	90.6%	94.3%	24.5%	77.4%
Baghdad	51.8%	63.0%	2.6%	91.6%	89.1%	44.8%	70.0%
Kurdistan Region	58.7%	39.8%	45.2%	89.2%	82.6%	51.6%	75.6%
Basra	43.5%	63.6%	0.0%	89.9%	88.4%	36.2%	62.3%

* Groups marked with an asterisk have a small sample; read their results as a direction rather than a precise figure.

5. Direct indicators by group (2 of 2)

Group	Food spending +20%	Rent ≥ third of income	Rent in dollars	Exemption not felt	Government weak	Raise salaries	Buy local
Income under IQD 1m	49.1%	56.9%	6.2%	88.6%	85.6%	50.9%	73.1%
Income IQD 1–1.5m	50.6%	54.7%	9.4%	89.9%	86.2%	49.4%	66.8%
Income IQD 1.5–2.5m	52.6%	44.4%	22.2%	94.2%	87.8%	40.4%	73.7%
Income IQD 2.5m+	51.5%	25.9%	44.4%	92.1%	90.1%	30.7%	78.2%
Renters	59.0%	52.9%	15.9%	91.9%	85.4%	54.2%	70.2%
Owners	48.8%	—	—	88.1%	86.7%	37.9%	72.6%

5. Composite indicators

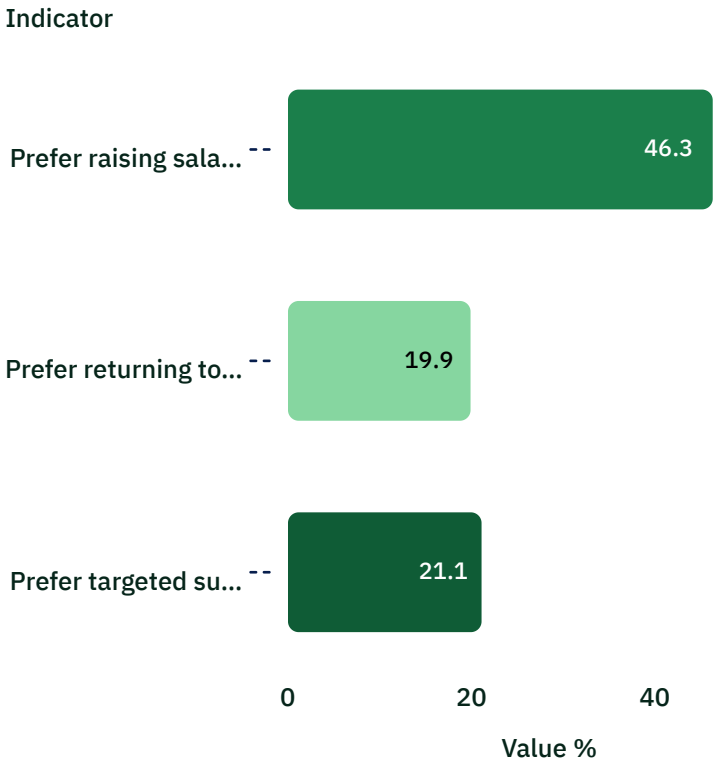
Group	Perceived rise	Food ≥ half of income	Burdens exceed income	Hardship index	Severe hardship	Net dollar expectation
All	+21.0%	56.5%	30.3%	52.6	31.8%	+68
Public sector	+20.5%	48.5%	17.6%	48.0	24.7%	+62
Private sector	+21.4%	56.4%	31.4%	53.5	33.3%	+68
Self-employed & daily work *	+19.3%	61.4%	38.6%	51.5	28.3%	+70
Baghdad	+20.4%	56.9%	33.9%	52.7	33.2%	+69
Kurdistan Region	+22.6%	48.2%	25.3%	53.5	32.9%	+63
Basra	+19.8%	67.2%	29.3%	51.9	30.4%	+73
Income under IQD 1m	+19.0%	94.6%	64.1%	57.0	44.3%	+58
Income IQD 1–1.5m	+20.6%	72.5%	31.6%	53.9	34.4%	+66
Income IQD 1.5–2.5m	+20.9%	26.9%	10.9%	48.6	18.6%	+72
Income IQD 2.5m+	+21.5%	0.0%	1.0%	45.5	14.9%	+77
Renters	+22.2%	54.8%	51.6%	64.5	62.7%	+69
Owners	+20.3%	51.1%	15.0%	45.6	13.0%	+72

5. Food basket index by group

Group	Basket index	Imported rice	Local chicken	Flour	Lamb
Public sector	+11.0%	+29.1%	+33.5%	+8.2%	+13.9%
Private sector	+17.2%	+39.6%	+33.7%	+24.4%	+15.6%
Baghdad	+17.6%	+37.3%	+42.0%	+24.4%	+14.8%
Kurdistan Region	+15.3%	+35.3%	+18.8%	+24.3%	+17.2%
Basra	+17.7%	+39.0%	+31.0%	+26.9%	+19.4%

6. Expectations, confidence and solutions

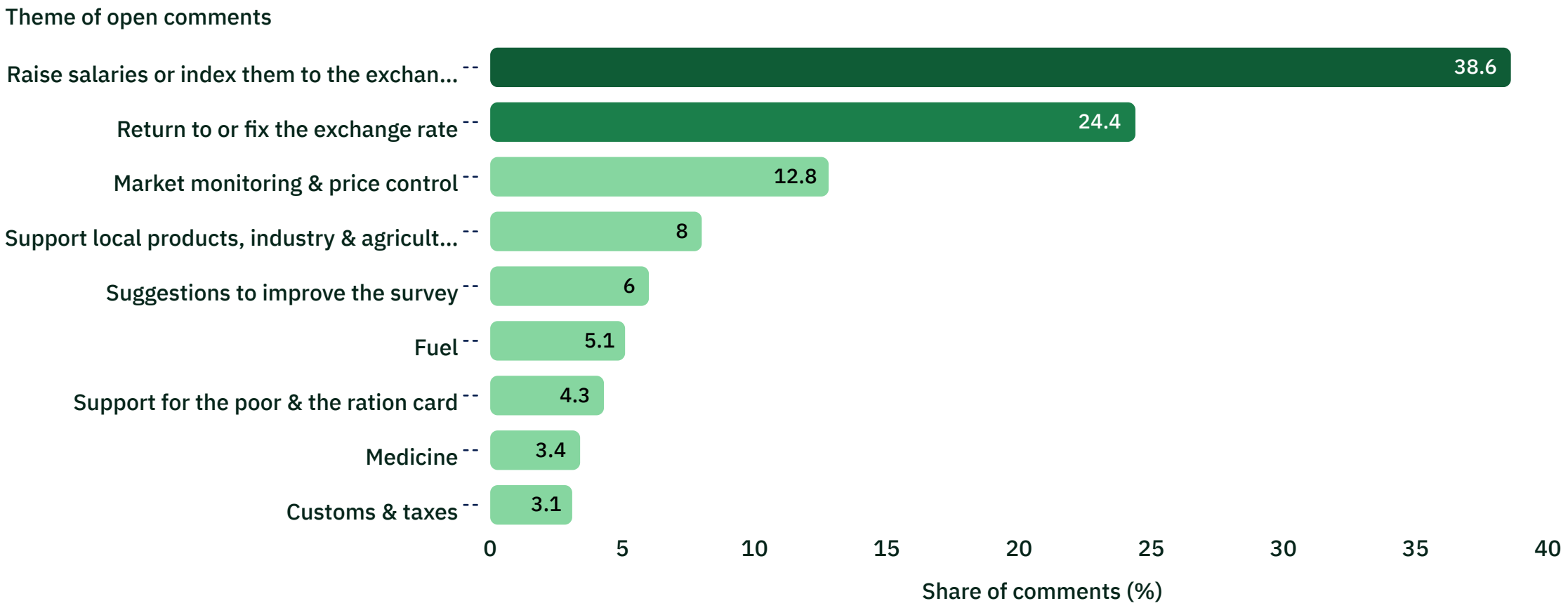
The differences between groups are large: private-sector employees call for higher salaries, while the public sector and the self-employed split between price monitoring and a return to the previous rate. Raising salaries alone, without growth in local production, could turn current inflation into a wage-price spiral, whereas solutions built on local products have a broad base among consumers.



Indicator	Value
Expect the dollar to rise within three months	71.0%
Have not heard of the customs exemption	12.7%
Prefer raising salaries	46.3%
Prefer returning to the previous exchange rate	19.9%
Prefer targeted support or cost-based price monitoring	21.1%
Always or usually buy local	71.3%
Net expectation of dollar appreciation	+68 pts

7. What participants said in their own words

Fuel and medicine led the items the survey did not ask about. They are the subject of the proposed health survey and energy survey.



7. Theme of open comments

Theme of open comments	Share of comments
Raise salaries or index them to the exchange rate	38.6%
Return to or fix the exchange rate	24.4%
Market monitoring & price control	12.8%
Support local products, industry & agriculture	8.0%
Suggestions to improve the survey	6.0%
Fuel	5.1%
Support for the poor & the ration card	4.3%
Medicine	3.4%
Customs & taxes	3.1%

Fuel and medicine led the items the survey did not ask about. They are the subject of the proposed health survey and energy survey.

8. Methodology and limitations

- The survey was run online through Google Forms; all closed questions are single-choice. Consecutive duplicate submissions were removed.
- Rent questions were calculated for renters only, and tutoring questions for households whose children take private lessons.
- Reference prices are from the CSO bulletin of basic food prices, April 2026, national average.
- Composite indicators use the midpoints of income and spending brackets, so they estimate the size and direction of pressure.
- Most responses arrived over two days (31 October and 1 November) and most came from private-sector employees, so the sample leans towards this group. Results are therefore shown by group, and group figures are cited when differences are large.
- An online sample over-represents people with internet access; the results describe the participants, not all Iraqi households.