Joint Markets and Supply Chain Update

Key messages

- Federal Government announces exemption and reduction of tax on basic food commodities.
- COVID 19: The export restrictions in different source markets e.g. Oman, Malaysia and India is already having a ripple effect in markets within Somalia.
- Both retail and wholesale prices of imported food items are increasing due to panic buying (COVID-19) and approach of Ramadan period.

**Banadir and Hirshabelle**

- Federal Government of Somalia (F.G.S), Ministry of finance announced tax exemption for rice and dates imports as well tax reduction of 50% for wheat flour and vegetable oil; starting 15th April, 2020 for a period of 3 months.
- Continued decline of remittance from diaspora affecting purchasing power of majority of households who economically depend on remittances due to restrictions and COVID-19 outbreak.
- Consumer Price Index (CPI) March 2020 report published by FGS, department of statistics indicates an increase of CPI of up to 2.12 percent. All Groups CPI was 116.55 in the month of March 2020, compared with 114.13 in the month of February 2020.
- In Mogadishu (Bakaro) Market, both retail and wholesale prices remain the same as last week, however, there is increased demand of food items in general as most households are stock piling for Ramadan.
- Roadblocks by insurgents (AS) in Buloburte led to limited availability of food items hence wholesale price increases of imported food items (9-17%) in terms of dollars. In addition, increase of wholesale prices, in USD, of red sorghum and white maize by 20% and 36.8% respectively was registered.
- In Beletweyne, there is increase of wholesale of both local (22-25%) and imported food items (6-30%) in terms of dollars as a result of increased demand due to approach of Ramadan period.
- In Jowhar, both retail and wholesale prices of local food items remain stable and same as last week, except slight increases of imported food items which increased by $1 for most items.
- In addition, there is reported increased supply of imported food items from Mogadishu to Jowhar this week.
- Normal port operations are ongoing in Mogadishu with cargo ships still arriving as usual.

**Galmudug**

- Fear of supply shortage of food commodities in Galkayo and Abudwag due to restriction of movement and currently available stocks are low (1-2 months) specifically imported food items.
- Galmudug authorities and the GLM-COVID-19 ministerial committee assured the population of enough food stocks until June.
- The current restrictions brought about by covid-19 pandemic has immensely affected livestock trade especially on livelihoods, which depend on livestock during the Ramadan period.
- Retailer prices of imported food items (rice, sugar and wheat flour) remain the same as last week.
- Prices of local cereals (white maize, red white sorghum) are stable.
- In Dhusaamareb town, traders reported declining food stock, which could trigger increases of prices in the coming weeks.
**Puntland**

- There is slight increase of wholesale prices of imported food items (Rice, Wheat Flour, Sugar) (<10%) in major markets of Garowe, Bossaso and Qardho, with the exception of Pasta which recorded the highest increase of 15% in major markets of Garowe, Bossaso and Qardho.
- There is moderate to significant increase of retail prices of imported food commodities (rice, wheat flour, sugar and pasta) increased by 20-27% compared to last week.
- Commercial companies have reported to have enough stock for the next couple of weeks. However, importers are worried about supply break especially of Wheat flour and Dates from Oman where COVID-19 has affected trade.
- With the current lock down in India, traders foresee stock-outs in the coming weeks especially of sugar and rice.
- Retail prices of local food items (red sorghum, white sorghum, white maize and cowpeas) are stable in Puntland since the outbreak of COVID-19 due to preference of imported cereals in most locations of Puntland.
- Normal port operations are ongoing in Bossaso and movement of goods is ongoing from the port to the main supply markets.

**Somaliland**

- Livestock prices are decreasing in Hargeisa, for instance local goat decreased by 21.1% in terms of dollars (from $95 - $75).
- In Hargeisa, white maize commonly consumed during Ramadan period increased by 11% this week in local currency terms.
- Imported rice slightly increased this week from $29.5 to $30 per 50 Kg bag in Hargeisa, other imported food items including dates remain the same as last week.
- During this past week, COVID-19 cases reported by the government caused panic within Hargeisa town; As a result, retailers interviewed noted a change of trading pattern with customers now preferring home deliveries.
- The fuel prices remain the same as last week.
- Normal port operations are ongoing in Berbera, however livestock export volumes are declining.
- The authorities in Somaliland has deployed more security personnel to the Ethiopian Border to enforce closing of the Border.

**South Somalia**

- Currently households are purchasing in bulky/bags hence increased demand due to panic buying and approach of Ramadan.
- The closure of Somalia / Ethiopia border has affected trade especially in the border towns like Dolow. Prices of food fresh foods e.g. Potatoes and tomatoes have increased due to demand-supply imbalance.
- The prices of food items are increasing, Baidoa (7 -19%) and Garbaharey (9-25%) last week and compared to the current week.
- In Huddur, there is moderate increase of retail prices of imported food commodities (rice, sugar, wheat flour, vegetable oil and pasta) (14-30%) compared to last week. In addition retail prices of local food items (red sorghum, white maize and cowpeas) increased significantly (33-50%)
- Both wholesale and retail prices of imported food items (rice, wheat flour and vegetable oil) increase mildly (4-14%) in terms of dollars this week compared to last week in Gedo markets of Doolow, Luuq and BeleXaawo. In addition, prices of pasta and dates remain the same as last week.
- Local livestock prices are currently stable in most markets.
- Exchange rate of local currency vs USD remain the same as last week in Doolow, Luuq and BeleXaawo markets.
- Fewer activities are reported in Kismayo port due to declining arrival of commercial vessels and boats but normal operations are ongoing.

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