Joint Market and Supply Chain Update


Key messages

- The GU rains have damaged or cut off critical transport infrastructure leading to delayed transport services in several regions across the country.
- Prices of staples remain high in Hirshabelle, Galmudug, Puntland, Southwest, Jubaland and due to high demand as well as low supply caused by disruptions to trade flows from heavy rains.
- Fear of contracting COVID-19 has made a number of truck drivers plying Baidoa-Wajid route withdraw their services and consequently disrupting trade flows.

Banadir and Hirshabelle

- FGS Minister of Commerce and Industry has warned the business community not to hike prices of stable food items and that tax exemptions by the Government should be reflected in prices faced by consumers.
- Fuel prices are declining. For example, the price of petrol dropped by -9% from $0.55 to $0.5 per litre in Mogadishu’s main market.
- In Mogadishu, an increase in demand for food from the onset of Ramadhan has led to soaring prices in key markets e.g. the prices of 50 kg. rice, wheat flour and sugar have increased by 6% to 10%.
- In the past three weeks, the supply of vegetable oil from the source market (Asia) has decreased resulting to a price increase; vegetable oil (20 litres) is retailing at $26.5 in April compared to $20 in March.
- In Beletweyne, prices of key food commodities have increased by 20% to 25%. Traders are worried of supply disruptions and market closure in case rains persist and Shabelle River bursts its banks.
- COVID-19 curfew which starts 8:00 PM has led to decline of business activities in small urban markets of Banadir which are usually active in the evening hours.
- In Jowhar, both prices of local and imported food items remain the same as last week and availability is normal. In addition, market activities are low during the early hours of the day due to Ramadan.

Galmudug

- Prices of imported food items (rice, pasta and sugar) are generally stable compared with the last four weeks. The only exception is observed in Galkayo market where the price of sugar (1kg) has increased by 10%. Despite the stability in prices of imported foods, there is a possibility of food prices increasing again during the Ramadan period.
- Supply disruptions by the GU rains and high food demand have led to high food prices especially of fresh foods in Galkayo and Dhusamareb districts. For example, in Galkayo markets, prices of fruits and vegetables increased by 50% to 90%, whereas in Dhusamareb, food prices increased by an average 3%.
- The price of camel milk (1 litre) increased by 54% ($1.30 - $2.00) in Adado, Abudwaq and Galkayo markets compared to last week.
- In Balaanbale and Adado districts, prices of other food commodities remained relatively stable. However, prices of vegetable and fruits increased due to the supply disruptions caused by the Gu rains in Hiraan region.
- In Guriel, the price of imported vegetable oil (1 litre) increased by 16.7% ($1.20 - $1.40) compared to last week.
- The unskilled labour wage rate has increased in Abudwaq, Galkayo and Hobyo by 42.9% ($7 - $10), except in Adado where offer remain very low ($3).
The heavy rainfall in Qardho district resulted in floods, which caused human casualties and destruction of the properties including main market and rendering the main supply corridor impassable.

The supply corridor linking Bossaso port city to other regions was cut off at El Dahir town thus hampering trade flows to key markets in Nugaal and Galmudug regions.

The prices of imported foods remain high but have now stabilized in most regions after exhibiting an increasing trend since end of March.

The price of fresh vegetables, including tomatoes and peppers, increased by 20% to 25% and the price of camel milk increased by 30% compared to last week due to the onset of Ramadan.

Fuel prices decreased by 20% in Bari, Mudug, Sool and Nugaal regions due to a global reduction of oil prices. However, public transport cost increased by 25% to 35% due to restrictions by the government limiting the number of passengers.

The exchange rates remained the same in most regions of Somaliland compared with last week.

Normal port operations are ongoing in Bossaso.

**Somaliland**

The ongoing heavy GU rains across the regions of Somaliland affected transport services especially in the coastal regions of Awdal and Sanaag e.g. From Lughaye to Borama, Zeylac to Borama and Maydh to Ceerigaabo. Vehicles and trucks are stuck and the government has mobilised earthmovers to clear the roads. This movement restriction is bound to affect the prices of food commodities.

The government of Somaliland is enforcing the ban of khat during Ramadan in a bid to contain the spread of the deadly Covid-19 pandemic; this may affect families who depend on petty trade of khat in rural and urban centres across Somaliland.

Both prices of imported and local food items remain the same as last week, however prices may increase during Ramadan and increasing charitable activities.

Somaliland authorities have started an initiative to support SMEs and urged the business community and telecommunication companies to join.

Resumption of livestock export has led to movement of livestock from rural locations in Somaliland, Galkayo and across the border from Ethiopia.

The prices of export quality goat have increased from $55 to $65 (18.1%) while prices of the camel export quality remain the same.

Fuel prices are decreasing in most markets, for instance the price petrol decreased from $700 to $500 SL SH. (-3.5%), and the price of diesel decreased from $400 to $200 SL SH. (-3.7%).

Currently, trucks carrying food supplies on transit to Bay, Bakool and Gedo regions are stuck in Baidoa town waiting for rains to subside and impassable muddy roads to dry up.

In Baidoa, key food commodities including rice, sugar and vegetable oil are running out of stock. Wholesalers and retailers are unable to replenish their stock because trucks bringing in supplies from Mogadishu are stuck in Yaqbarwayne town (140km from Baidoa). The ongoing GU rains have rendered the road impassable for the past four days thus hampering supply flows to Bay, Bakool and Gedo regions.

In Waajid, a supply-demand imbalance has led to a price increase of key food commodities by 25% to 30%. Supply has been disrupted by the GU rains that affected key supply corridors linking the catchment markets and Waajid district.

In addition, truck drivers operating in Baidoa-Wajid route withdraw their services due to the fear of contracting COVID-19, as consequence, trade flows were disrupted.

In Baidoa, the prices of imported food items (rice, vegetable oil, sugar and pasta) are stable compared to last week.

In Baidoa, local cereals (white maize and red sorghum) wholesale prices have decreased by 10.3% however retail prices remained the same as last week.

In Huddur markets, retail prices of both local and imported food items remain high but unchanged compared to last week.

**Jubbaland**

In Dhobley, the GU rains have temporarily closed the road linking Kismayo and Dhobley thus cutting off supplies from the catchment market (Kismayo). Availability and prices of food commodities are bound to change in the next 2-3 weeks if the rains persists.

In Luuq, a supply-demand imbalance has led to increased food prices by 25% as shops continue to run out of stock. Trucks, carrying food commodities from Mogadishu to Luuq district, are stuck at Midow village due to the poor road condition caused by GU rains.

In Elwak, GU rains have affected the roads between Elwak and Mogadishu and trucks carrying goods are stuck in Midow village located 380 Kms from Elwak.

Closure of the Kenya-Somalia border due to COVID-19 has affected trade flow in Elwak town resulting in a demand-supply imbalance and an increase in food prices.

Several districts under Gedo region continue to receive rains, which has adversely affected key supply corridors rendering them impassable.

In Gedo markets (Doolow, Garbaharey and Beletxawo) both wholesale and retail prices of imported food items (rice, wheat flour, vegetable oil, pasta, dates) and local cereals remained the same as last week.

The exchange rate of local currency vs USD has remained the same for three weeks in a row in most markets of Gedo markets of Doolow, Garbaharey, Luuq and Beletxawo.

Less activities are reported in Kismayo port for three weeks in a row but normal operations are ongoing.

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