



NORWEGIAN
REFUGEE COUNCIL

MARKET ASSESSMENT REPORT

“Market Assessment Conducted Under OCHA YEFM1804 at Hamdan District of Sana’a Gov. and Amran City of Amran Gov.”

Gov.: Sana’a & Amran

District: Hamdan District of Sana’a Gov. and Amran City of Amran Gov

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Acronyms

BNFs	Beneficiaries
FEWSNET	Famine Early Warning Systems Network
FGD	Focus Group Discussion
FSAC	Food Security and Agriculture Cluster
HC	Host Community
HHs	Households
IDPs	Internally displaced people
IDs	Person's identity card
IPC	Integrated Phase Classification
KII	Key informant interviews
KOBO	Online system for collecting and analyzing data
M&E	Monitoring and Evaluation
NFIs	None-food Items
NRC	Norwegian Refugee Council
REACH	joint initiative of two international non-governmental organizations
UCT	Unconditional Cash Transfer
YER	Yemeni Real
NAMCHA	National Authority for the Management and Coordination of Humanitarian Affairs

EXECUTIVE SUMMARY:

Market Assessment activity under OCHA YEFM1804 project entitled “Improving food access and livelihoods of conflict affected, food insecure population in Hajjah, Amran, Sana’a Lahj and Taizz governorates.” was conducted in two different governorates, Sana’a and Amran. In Sana’a Gov, the assessment was conducted in Hamdan District and in Amran Gov the assessment was carried out in Amran City. The type of assessed markets as informed by all respondents is local market, no access troubles faced by the enumerators while travelling to conduct the assessments. The interviews were conducted with several individuals such as community members, teacher, local council member and NAMCHA Representative as well as some community leaders. All the respondents confirmed the availability of many local markets within the district of Hamdan in Sana’a mentioning three operational Shamlan, Ablus and Dharawan operating on daily and weekly basis. However, in consideration to the assessed markets of Amran Gov., the interviewed persons confirmed the availability of about six functional local markets like Al-Qashlah, Najr, Al-Malaf, Al-Sabt, Ghaban, Al-Mahnat and Mirthah.

The average distance to the different assessed Markets is slightly different from district to another. While the average of distance from the different villages to the main markets in Sana’a Governorate is from 500m to 6000m. Nevertheless, the average distance to the main market assessed in Amran Governorate is from 500m to 4000m. As shown clearly from the assessment, most of customers come from the nearest villages before the conflict and for the current time. the escalation of prices has a significant effect on market operation; traders’ customers are reduced because of the peoples’ low purchasing power and the rise of items prices.

As clearly reflected in the assessment, almost all food commodities and NFIs as well as Hygiene and sanitation supplies are brought from Al-Hudaydah Sea Port, Aden Sea Port and Al-Wadeea’ah land port as well as the importers in Amanat Al-Asimah. The demand reduced within the marketplace as reported by the interviewed individuals. The traders confirmed that they have valid trading licenses, and the main commodities they are supplying are flour, rice, oil and sugar. 20% of them don’t have a large retailer shop or other outlet, but they have agents. However, all traders have shown their willingness to participate in vouchers program, and they could provide multiple choices / options of items to the value of a voucher.

Apparently, no minor impact was reported by the respondents on the number of wholesalers in the assessed markets since all traders confirmed that they trade the same commodities as before the conflict. Only one of the respondent affirmed that the number of wholesalers have increased in these markets from 15 to 20 relating this reason to the free market as they buy goods, fuel and different items and store them to be sold with high prices when they are unavailable in the market. On the other hand, the number of retailers has decreased from 20 to 14 due to less demands by customers as well as the monopolism by wholesalers. However, one of the respondent reported that the market is not supplying as much as pre the shock, and the main commodities supplied to these markets are (wheat flour, rice, oil and sugar). Nevertheless, the questioned traders confirmed that they could use their existing suppliers to get any additional supplies of key commodities, and they could use other suppliers as well. By asking them if they sell commodities to their customers on credit, almost all confirmed, and customers must repay the credit between week to month.

Generally, all the respondents confirmed that before the conflict they had access to their needs from the market, while now they access their needs either from the market or from the available assistance. In all assessed markets in both governorates, Amran and Sana’a, the main four important food commodities needed as revealed were (wheat, flour, rice, oil and sugar), they were buying the mentioned items before the conflict from the assessed markets just as now.

Remarkably as confirmed by respondents, all HHs members have access to this market, men go to the markets for buying food supplies, children sometimes and women rarely, while buying hygiene items

mostly by men and by children sometimes, NFIs items are always bought by men. The control of household budget as revealed by the respondents is 80% by men and 20% by men or women. The respondents confirmed that the prices increased mostly due to the collapse of currency and all reported that most of supplies/items (food, hygiene and non-food) always supplied by the traders, also traders are able to supply sufficient quantities of the key commodities if the demand increased. From other hand, the most preferred type of assistance is cash, while vouchers come as a second preferred option as revealed.

Table 1: Market place supply chain statements

	Key Commodities
To conclude, the assessed markets will respond to Unconditional Cash Transfer and Voucher program if demand for key commodities increased during the intervention period. Traders can increase supply and additional traders interested in supplying core goods to these reference marketplaces. Markets environment does affect the ability of the supply chain to be more functional. In short, Unconditional Cash Transfer (UCT) is possible and such program will enhance the markets functionality and operations. This kind of program will also have advantages for BNFs to improve their access to their needs and it will bring benefits for traders due to the flourishing of markets activities.	Food NFIS Hygiene and sanitation

INTRODUCTION:

Through this project, the targeted beneficiaries will be supported to access food and improve their food security status. They will be provided with unconditional cash transfers for a period of six months, enabling them to purchase food items from the local markets.

NRC team conducted this market assessment for the targeted district to determine the most appropriate modality of delivering assistance. Based on the findings of the assessment, NRC will make informed decisions on the approach to using either cash or vouchers or a combination. Market assessment determined to be the first activity that will be conducted so that the modality is defined at the onset if implementation.

NRC proposed response is in line with FSAC Cluster Objective; to increase access to food for highly vulnerable families. The objective is meant to reduce severe hunger among highly vulnerable families by provision of cash & voucher services which will enable vulnerable food insecure households to access food through the markets.

Objectives:

- ▶ To assess whether a market can supply the key commodities effectively.
- ▶ To determine the most appropriate modality of delivering assistance.
- ▶ To enable NRC to identify opportunities to implement UCT on the basis of market analysis.
- ▶ To collect information on market demand and trade flow within the district.

BACKGROUND

After more than three years of war and a longer period of escalating conflict, Yemen represents the world's worst humanitarian crisis and a complex political environment in which to deliver principled humanitarian aid and protection. Yemen's 2018 Humanitarian Needs Overview details overwhelming humanitarian needs, derived from the intersection between ongoing conflict, displacement, economic decline and the collapse of public institutions. Of a population of 29.3 million, 22.2 million Yemenis – three quarters of the population - now need aid or protection. An overwhelming 17.8 million people are now food insecure, 8.4 million of them at extremely high risk of famine. An air and naval blockade on Yemen's main ports has

prevented or slowed the flow of essential imports of food, fuel and medical supplies from entering Yemen, having a crippling effect on the flow of basic goods, while a deteriorating economy drives widespread inflation on essential commodities. People in Yemen are caught in between, with reduced availability of food, inflated prices and fewer resources with which to purchase it.

Food insecurity is arguably the most critical concern within Yemen's humanitarian crisis, underpinning many of the broader risks relating to famine, disease and protection. In June 2018, Joint Market Monitoring Initiative, REACH reported that 92% of vendors in Yemen reported challenges with price inflation, 54% with transport and 52% with commodity shortages, speaking to the equivalent strain on resources for consumers. The Famine Early Warning System Network (FEWSNET) reports that large parts of Yemen are expected to remain in food crisis (IPC Phase 3) until October 2018, while some areas face Emergency (IPC Phase 4) and more imminent risk of moving into Catastrophe (IPC Phase 5) should there be any additional disruptions to food supplies or economic factors.

Methodology

The assessment took place from 27th to 29th of Nov. 2018, all assessment tools have been developed and approved by the M&E team in consultation with the technical specialists. The surveys were conducted face to face with traders, community FGDs and KII, using 5 market surveys tools as shown in table 2. The survey has been conducted to assess and monitor market and trade flow within the targeted districts as well as to assess the possibility to use either cash or food vouchers distribution for the YEFM1804 project. The data collected on hardcopies initially and uploaded to Kobo afterward. Kobo analyzer downloaded and used to utilize the quantitative analysis in this report.

To ensure consistency and quality of findings, enumerators have been trained in data collection techniques and are provided with guidelines regarding the types of commodities and shops to assess. Food retailers, for example, must be located in permanent structures, be small to medium sized, and stock multiple items included in the survey. Additional criteria have been developed for shops selling food, Hygiene and sanitation supplies and NFIs.

Table 2: Tools for Market Assessments

Survey	Interviewee	Sample size
01. Market Semi Structured Interview	Key Informants	5
02. Trader Semi Structured Interview	Retailers/Wholesalers	5
03. Focus Group Discussion	Community Representatives	5
04. Financial Services	Key Informant Interview	5
05. Market Prices (Retail/ Wholesale)	Retailers	5

FINDINGS OF THE SURVEY:

01. Market Semi Structured Interview

As revealed by the interviewed people that the type of the assessed markets is local with approx. time needed to reach between 10 to 30 minutes. These markets are accessible and no challenges or obstacles were faced by the team whilst travelling. The interviews were conducted with several community members, having different positions such as Market and Camp Security Supervisor, Community Leader and Local Council Member. All the interacted respondents confirmed that there are many available markets such as Shamlan, Dharawan and Khalaqah in Hamdan District of Sana'a Governorate and there are many markets in Amran City District of Amran Governorate. Those markets are, as confirmed by the respondents, operating on daily and weekly basis, with average distance between 600 meters to 1500 meters. The main means of transportation are buses, motor-cycles, and somehow cars, or foot. The

average of time to reach these markets is between 10 to 40 minutes based on the mean of transportation while the average of transportation fair is 175 YER.

Moreover, the assessment data shows that the monopolism by wholesalers and the increase of prices as well as the less demands by consumers made about 20% of the retailers unable to handle their business as usual. Most of customers come from the nearest villages before the conflict and for now; however, the number of customers decreased by 60%. In addition, the number of retailers supplying the key commodities in the marketplace changed since the conflict commenced, as well as the market has shown less amount of supplying for key commodities compared to the supplying amount before conflict. On the other hand, as reported by the respondents the number of wholesalers in Amran City District has increased after the conflict because of the high benefits the wholesalers make from the practices of monopolism. It is also found that there is a shortage of the main commodities by 50% in these markets such as milk and construction items and drugs for the reason of blocking seaports and airports as well as land ports.

Table 3: Related to Market Structure in Hamdan District of Sana'a Governorate:

Effect on the market structure	Yes	No
Wholesalers are able to continue their business as usual	100%	00%
Market is supplying the same amount as before conflict	100%	00%
Number of retailers supplying changed since this conflict	69%	31%
Number of customers going to the assessed markets	100%	00%
Shortage of commodities more than a month	100%	00%

Table 4: Related to Market Structure in Amran City District of Amran Governorate:

Average	Yes	No
Wholesalers are able to continue their business as usual	100%	00%
Market is supplying the same amount as before conflict	50%	50%
Number of retailers supplying changed since this conflict	97%	3%
Number of customers going to the assessed markets decreased	55%	45%
Shortage of commodities more than a month	50%	50%

As illustrated by the respondents in the below table No. 5 that all food commodities, NFIs and hygiene items in Amran Governorate Markets are imported through Al-Hudaydah and Aden Seaports or Al-Wadee'ah land port. However, in Sana'a Governorate, while 67% of the respondents confirmed the food commodities, NFIs and Hygiene and sanitation items are coming from Amanat Al-Asimah Traders (Wholesalers), the remaining 33% of respondents reported the source of those items is the big trading companies and their agents in Amanat Al-Asimah which is less or more the same wholesalers.

Table 5: Source of Food Commodities/NFIs/ Hygiene and Sanitation items in both Governorates:

Source of Food Commodities	Percent of Frequency in Sana'a	Percent of Frequency in Amran
Traders (Wholesalers) in Amanat AlAsimah	67%	0%
Big Trading Companies and their agents in Amanat Al-Asimah	33%	0%
Al-Hudaydah and Aden Seaports and AlWadee'ah Land port	0%	100%

02. Trader Semi Structured Interview (wholesalers-retailers)

As shown in the below table No. 6, the interviewed traders in both governorates, Sana'a and Amran, confirmed that they have valid trading licenses. Also, as revealed, the main commodities they supply are flour, rice, oil and sugar. Three out of five interviewed traders (60%) confirmed they have large retailer shops or other outlets, one trader (20%) has one agent and the last one (20%) has none. By asking them if they are willing to take part in a voucher program, no one has denied his willingness to participate in voucher programs and their capacity to import more commodities if required. Also, they can provide multiple choices / options of items to the value of a voucher. Additionally, they are willing to take part in market fair in relatively remoted villages. Besides, only two confirmed that he has an active bank account, the remaining 3 traders are willing to open bank accounts if the voucher program takes place.

Table 6: Related to Sana'a Gov. Traders' Profile

Are you /	Trader 1	Trader 2	Trader 3
Having a valid trading licenses	Yes	Yes	Yes
Having other outlets	Yes	No	Yes
Willing to take part in a voucher program	Yes	Yes	Yes
Willing to take part in market fair in remote villages	Yes	Yes	Yes
Having an active bank account	No	Yes	Yes

Table 7: Related to Amran Gov. Traders' Profile

Are you /	Trader 1	Trader 2
Having a valid trading licenses	Yes	Yes
Having other outlets	Yes	No
Willing to take part in a voucher program	Yes	Yes
Willing to take part in market fair in remote villages	Yes	Yes
Having an active bank account	No	Yes

All sampled traders in the assessed markets of Sana'a and Amran governorates confirmed that they currently trade the same commodities as before the conflict. In addition, 2 out of 3 respondents informed that the market supplying the same amount as pre-conflict supply, while only 1 reported that the market supplying less than half of pre-shock supply. Traders normally buy the key commodities from Amanat Al-Asimah. All respondents reported that due to the conflict the transportation cost and the prices increased, which drastically lessen the flow of supplies to markets.

When come to ask the traders about the main commodities they recently have at their stocks, all of them confirmed that the main commodities they supply are (wheat flour, rice, oil and sugar) from the wholesalers. They also confirmed that there are other reliable suppliers they can buy the commodities from if the main source is not available/accessible, and they would typically store their stock in small and personal stores. All interacted traders stated that they can supply the HHs with the key commodities if they are given money; however, with respect to time, it would take them to get additional stocks to meet the demand from 3 to 10 days if demand increased by 100%.

By asking the traders in the assessed locations in both governorates if they can currently sell commodities to their customers on credit, almost all confirmed, but with the condition that the customers must repay the indebt within 3 to 7 days. Nevertheless, 2 out of the 3 traders in Sana'a Gov. reported that their suppliers can give them some supplies on credit but with the condition that they should put gold/ jewelries or land property proving document in return for that. Only one of the traders in Sana'a confirmed he cannot buy on credits due to the YER depreciation against USD currency. On the other hand, in Amran Governorate, while 50% stated that the suppliers can give them supplies on credit, the remaining 50% of traders confirmed the suppliers refuse to provide some supplies on credits.

03. Focus Group Discussion (FGD) With Community Representatives

Overall, all the respondents in all assessed markets of Sana'a and Amran Governorates confirmed that they had access to their needs before the conflict from the market, while for now they access their needs either from the market or from the available assistance. The main four important food commodities needed as revealed were (wheat flour, rice, oil and sugar), and the four most important Hygiene items needed by the affected population as reported were (bar soap, washing powder, plastic basin and plastic jug), with a typical household needs of washing powder as 20 small bags per month, while the four most important Non-food & Shelter items needed as reported are (kitchen sets, blankets, mattresses and clothes).

All respondents confirmed that they were buying the mentioned items before the conflict from Amant Al-Asimah market, with average time to reach there between 30 minutes to 2 hours' maximum, based on the type of transportation; while the main mean of transportation is the motor-cycle, cars, buses or on foot. The average cost for transportation by motor is 300 YER, 200 YER for buses and 750 for cars. The average time to reach the nearest markets by foot is 30 minutes as reported, while it may take them 7 minutes as an average by motorbike, or 10 minutes by buses.

Table 8: Time on average take to reach the nearest markets in Sana'a:

Means of transportation	Average
By foot	30 minutes
Motorbike	10 minutes
By cars/buses	15 minutes

Table 9: Time on average take to reach the nearest markets in Amran:

Means of transportation	Average
By foot	15 minutes
Motorbike	5 minutes
By cars/buses	7 minutes

Usually men go to the markets for buying food supplies, children sometimes and women rarely, while buying hygiene items mostly by men and by children sometimes, NFIs always by men. As reported by the participants in the assessments in both governorates, no one faced risks while going to market within the community; there is no problem for women and marginalized people to access market, and there is no security, ethnic, gender or other social issue that can affect access to marketplaces. From other hand, the control of household budget as revealed by the respondents is usually by men and seldom by women.

By asking the respondents in all assessed markets of Sana'a and Amran Governorates if they did notice any changes in the prices of the above mentioned items in the past six months, all of them confirmed that the prices increased, mostly due to the depreciation of Yemeni currency against other currencies. All respondents in all assessed locations reported that most of supplies/items (food, hygiene and non-food) are supplied by the traders. Only in one assessed market, there is no construction materials as there is no demands for these items in the surrounded villages. From another corner, all traders are able to supply sufficient quantities of the key commodities if the demand increased. From other hand, the most preferred type of assistance is cash while vouchers come as a second preferred option as revealed.

04. Financial Services (Key Informant Interview):

As reported by the majority, most of people within the district are getting cash by daily work, while others are getting money from transfer agent or as a benefit from their farming activities and livestock. At least 29% of the households have access to daily work as main service to get cash, respectively the percentage of households benefitting from their livestock and from transfer agents is 15% both. The average percentage of households can access at least one of the above (or other) financial services is 18%. In addition, almost all people identify themselves to access financial services by using their ID Cards, ID statements and/or family books. In general, none of the security, ethnic, gender, or social issues affect access to any institutions.

05. Retail/Wholesale Prices – Food Commodities

Table 10: The Average Price of the Main Commodities at Retail Shop in YER by Unit in Amran and Sana'a Markets

Retail shop	Unit	YER Price
Wheat flour	50 kg	9500
Rice	40 kg	21000
Beans	24 can	6500
Lentils	50 kg	7000
Kidney bean	50 kg	8500
Vegetable oil	20 lit	12000
Condense Milk	500 gm	650
Sugar	50 kg	16000
Tuna	700 gm	550
Tomato past	70 can	2400

Table 7: The Average Price of the Main Commodities for the wholesales in YER by Unit in Amran and Sana'a Markets

Wholesales	Unit	YER Price
Goat	1 kg	4500
Chicken	1 kg	1700
Fish	1 piece	400
Potato	1 kg	500
Tomato	1 kg	500

06. Conclusion & Recommendations

From the assessment data, it is concluded that the assessed markets in both governorates, Amran and Sana'a are still accessible and functional. The flow of supplies to these markets has been slightly affected due to the less demands, the rise of prices and the increase of transportation cost. However, as confirmed by the respondents in the different assessed markets of Amran and Sana'a, the functionality and accessibility as well as the flow of supplies will improve if the community economic situation improves. Therefore, one can summarize that the capacity of the markets in the assessed locations can respond to cash and/or voucher programs. However, as revealed by the respondents that cash modality projects will better improve the community access to their various needs and for sure the cash will bring advantages to the traders since the cash assistance will lead to the flourishing of trading activities. No harm would be caused to the non-target groups as there would not be any concern regarding the flow of supplies if demands increased.