

# SNAPSHOT OF MARKET ACTORS' PERSPECTIVES: COVID-19 IMPACTS IN RAKHINE STATE (AUG. 16-29, 2020)

## Mercy Corps - Market Analysis Unit

September 1st, 2020

### Mercy Corps' Market Analysis Unit in Rakhine State

In response to the COVID-19 pandemic and ongoing conflicts in Rakhine State, Mercy Corps has set up a **Market Analysis Unit** to provide development practitioners and policymakers operating in Rakhine State with data and analysis to **better understand the present and potential impacts of COVID-19, conflict and other crises** on:

1. **Household purchasing power, coping mechanisms and access to basic needs;**
2. **Market functionality**, particularly as it relates to **food systems;**
3. **Trade** (ag. inputs and supply, machinery, commodities) and **cross-border dynamics;**
4. **Financial services**, including **financial services providers**, household and business **access to finance and remittances;** and
5. **Labor markets** (formal and informal), with a focus on agricultural labor and low wage sectors (construction, factories, food services).

As events unfold in Rakhine State, the Market Analysis Unit will continue to provide further data and analysis to support humanitarian assistance and market development in the region.

### Focus and Methodology

Since **August 16** there have been **increasing COVID-19 cases** reported in Central and Northern Rakhine State. In order to conduct a rapid assessment of the impact of these cases on local market systems, on August 28-29 Mercy Corps conducted **phone interviews** to gather perspectives from **48 market actors** in **eight township**: Kyauk Taw, Maungdaw, Minbya, Mrauk U, Pauk Taw, Ponnagyun, Rethedaung and Sittwe.

The below is based primarily on 4-7 interviews per township with input sellers and vendors of agricultural products (the exception was Pauk Taw, where two market actors were interviewed). Several interviews also focused on village-level conditions, and research was augmented with CSO interviews. All reports reflect **new developments between August 16-29**, when the resurgence in COVID-19 cases began. The resulting data are strictly anecdotal and should be interpreted as such.

### Key Findings

Overall, market actors report newly expanded restrictions, with limits on social and economic activities as well as the hours of operation for businesses and local markets. As a result, respondents cited severe supply shortages, rising prices, dwindling customers, and reduced income from trading and casual labor. There were also reports of fears that the new wave of cases

may transmit more easily. In general, respondents cited their sources of information about government restrictions as local health departments, television and announcements from cars in town.

### **A. Impact on Households**

- New curfews were reported in Sittwe, Mrauk U, and Minbya, and mask mandates were reported in almost all townships.
- There were reports in all townships of new government restrictions on individuals going outside to buy goods/services. In Minbya and Sittwe, respondents say new government restrictions permit only one family member to go to market for essentials, and Maungdaw respondents reported bans on assembling in groups.

### **B. Town Markets**

- Main town markets remain open in all townships. However, in all townships respondents reported new government limits on operating hours for both the main markets as well as smaller neighborhood markets.
- Many respondents cited newly reduced market hours as painfully reducing income.
- Respondents in Rathedaung, Maungdaw and Mrauk U said market closures were driving reduced work for casual laborers.
- There were relatively few reports of new limits on the types of goods which are allowed to be sold at market.

### **C. Business Activity**

- Input suppliers and vendors in all townships reported new government restrictions on their own business activity as well as reports of new restrictions on which businesses can be open (the sole exception was Rathedaung Township).
- Many respondents reported new challenges both receiving inventory and reaching customers, and many respondents tied this loss of income and limited cash flow.

### **D. Travel and Transportation**

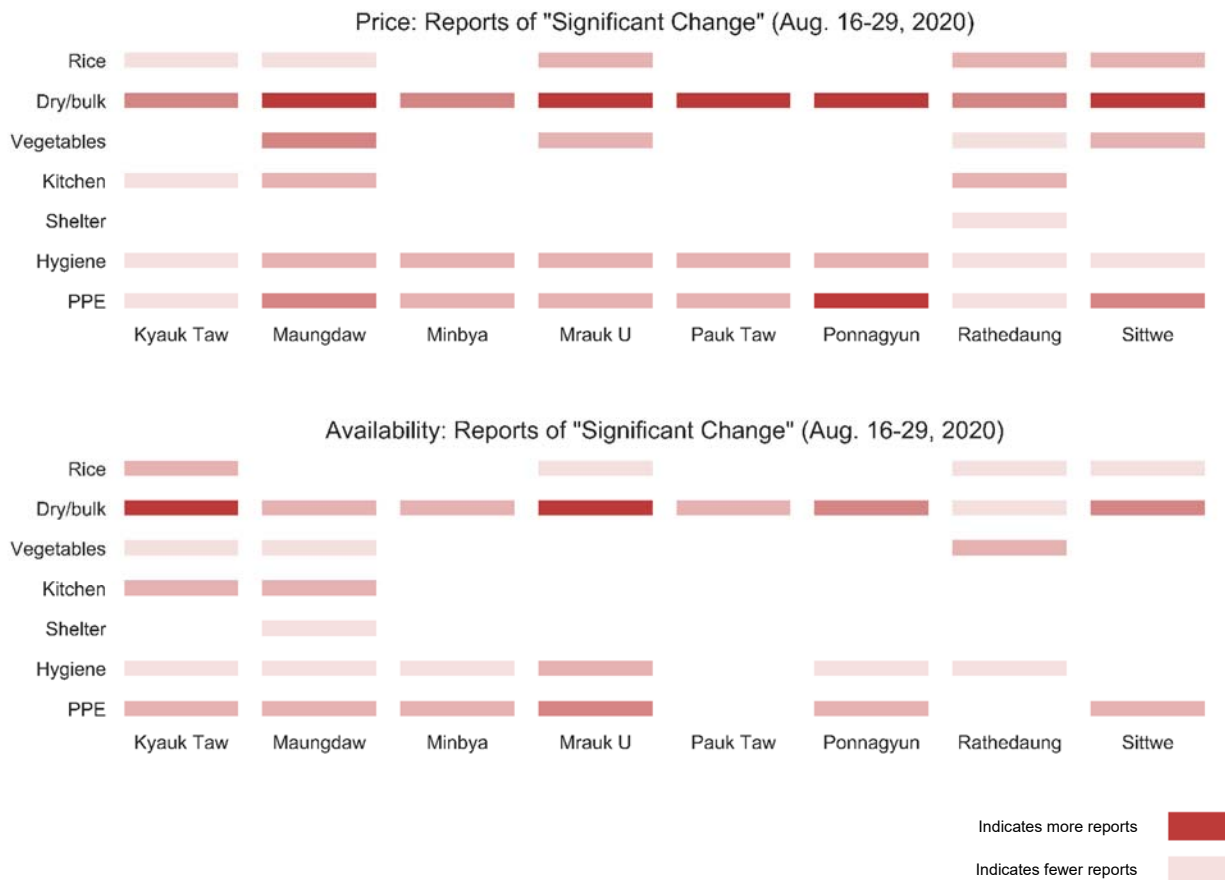
- All respondents cited new restrictions on transportation of goods, and many pointed in particular to new nighttime curfews (which may limit the potential hours for transporting goods).
- All townships had reports of significant new limits on travel, including travel to neighboring townships (including mandatory quarantines of 10- or 14-days.)
- Respondents were divided about limits on travel to/from villages within townships, and some reported that the situation varies by village.

### **E. Delivery of Emergency Assistance**

- In Maungdaw, Mrauk U, Ponnagyun, and Kyauk Taw some respondents reported reduction in delivery of (expected) emergency assistance since August 16.
- However, some respondents in Minbya, Mrauk U, Ponnagyun and Kyauk Taw also reported new (unexpected) emergency support to households.

## F. Price / Availability of Food and Other Necessities

- All townships saw reports of “*significant*” reduced availability and (more often) price increases for essential goods. This was most common in Mrauk U and Maungdaw.
- Dry/bulk food products (esp. oil) were very frequently cited for limited availability and rising prices since August 16. Hygiene products (esp. soap) and PPE (esp. masks and hand sanitizer) were mentioned as well, particularly in Mrauk U, Minbya and Sittwe. Reports of limits on shelter materials or kitchen products were limited.
- The charts below summarize responses (by product) from 38 market actors in all townships. Darker colors represent more reports of increased price or reduced availability (white indicates no reports of change). The data do not represent magnitude of change.



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