MARKET ANALYSIS UNIT

Market Snapshot

Sittwe, Mrauk-U and Ponnagyun

*This rapid Market Snapshot presents market data following Cyclone Mocha in order to support disaster response efforts. Data were collected on May 19, 2023 through observation and KIIs. Reports available at **www.themimu.info/market-analysis-unit**.*

KEY FINDINGS

- **Cyclone Mocha badly damaged Rakhine markets**, with many reports of destroyed shops and inventories;
- **Market activity was growing day by day**, although the presence and type of vendors differed by market;
- **Lack of shelter and construction materials was a major problem**, with prices up 30% or more since May 1;
- **Prices for gasoline and distilled water were up 26% 17% in Sittwe**, and water delivery was a problem;
- **Essential food prices were up 10% or more**, although not nearly to the degree of critical NFIs;
- **In-kind assistance is needed**, but functioning markets should also enable effective aid via cash assistance;
- **Cash assistance will prove important as supply chains recover**, but implimentors should monitor changes in price and availability closely.

Sittwe Town Market

Market Conditions and Capacity – Sittwe's main market continued to operate, but the fish market had relocated. As of May 19, Sittwe's fish market was relocated to a nearby street following extensive damage from Cyclone Mocha. Sittwe market suffered roof damage and a collapsed wall, and some vendors reported large inventory losses (e.g., dried foods, electrical equipment, stationary). The market nonetheless continued to operate on-site, albeit without electricity. Market hours were roughly normal, with operations during 4am - 5pm. Vendors said some access routes to the market may be dangerous to travel due to downed trees, phone/power poles, or buildings.

As few as 25% of vendors had returned to Sittwe Market, although activity was growing day by day. Roughly 25% of retailers and wholesalers had returned to Sittwe market as of May 19. Returning vendors were more food-oriented, with fewer focused on NFIs or services. Town-based customers had begun to return to Sittwe market as well as some village-based customers. According to vendors, daily customer counts remained 30-40% below pre-cyclone levels, suggesting many buyers had not yet returned. However, some boats were arriving at Sittwe's jetty (likely linking with Pauktaw, but possibly also Mrauk-U or Minbya) and market activity was growing day by day.

Retailers and wholesalers in Sittwe believed they could access more supply but expected longer lead times on restocking. Vendors said they could now satisfy most but not all of their current customer demand. Vendors said Cyclone Mocha had impacted their ability to restock (supply difficulties are not unusual in Sittwe in heavy monsoon rain), and both food and NFI vendors said their suppliers had fallen in number. Food and NFI vendors believed they could access supply for up to 50% more demand and were unlikely to raise prices further unless demand doubled (although prices had indeed risen). Retailers and wholesalers of both food and NFIs expected lead times to increase, with five-day lead times for foods stretching to seven days and one-week lead times for NFIs stretching to 10-20 days.

Product Availability and Demand – Sittwe vendors said essential foods, shelter-related NFIs, and electronics were in high-demand and poor-supply. Vendors said foods like cooking oil, dried noodles and vegetables were in high-demand and poor supply; the same was also true of shelter NFIs (e.g., blankets, pillows, plastic tarps, CGI, roofing nails, timber), electronics (e.g., batteries, solar panels, flashlights), and umbrellas. Vendors said other products were also in poor supply although demand for them was muted, including: pulses, packaged food, detergents, shampoo, electronics (e.g., power banks, SIMs, cables, fans), sanitary pads, and other shelter NFIs (e.g., raincoats, carpet, mosquito nets).

Rice and palm oil prices were up 10% in Sittwe, but prices for perishables like vegetables were up more steeply. Essential food prices rose moderately, with rice and cooking oil up 10%. Prices for pulses were down 35%, likely due to availability of only lower-quality inventory. Prices for vegetables like squash had doubled.

BOX 1. Power, Water and Construction Materials in Sittwe Town
Cyclone Mocha badly disrupted markets for power, water and construction materials in Sittwe.

Supply of electricity remained limited, and prices for gasoline and gas generators were up 26% and 63%, respectively. Damage to electrical infrastructure had driven up prices for gasoline and gas-powered generators. As of May 19, gasoline prices were up 26% from pre-cyclone levels in Sittwe Town, selling for 29,000 MMK/liter. Gas prices spiked from 23,000 MMK/liter prior to the cyclone to 35,000 MMK/liter immediately afterward, although prices had fallen again by the end of the week. Prices for 5kw gas generators were up 63% due to high-demand and short supply, with prices climbing from 8 lakh (800,000 MMK) prior to Cyclone Mocha to 13 lakh after the cyclone.

The price of distilled water was up 17%, and combined with transportation costs the price had more than doubled. Electrical outages had impacted water supply, and water pumps and distilled water remained difficult to access. Prices for hand-based water pumps doubled, rising from 42,000 MMK prior to the cyclone to 83,000 MMK afterward. The price of distilled water also climbed 17%, rising from 600 MMK/20L to 700 MMK/20L. Many households also struggled to access bottled water due to the rising cost of delivery. Reports suggest that Sittwe's main supplier of distilled water was badly understaffed as of May 19, contributing to spiking delivery costs; the delivery fee alone for water had risen to 850 MMK/20L, bringing the final cost of bottled water to 1550 MMK/20L (more than double the normal price). Some residents had begun traveling to pick up water directly from the manufacturer in Sittwe Town or at an ad-hoc water distribution station in Ballone Quam Ward.

Goods and services related to shelter construction were badly needed, with prices for metal roofing and hardwood up 30-40%. As of May 19, reports suggested that most buildings which had lost roofing in the cyclone were still unrepaired. Skilled carpenters and construction materials like metal roofing, roofing nails, and wooden support beams were in very short supply. Prices for roofing material (e.g., thick CGI) were up 30%, rising from 2,700 to 3,500 MMK/ft. Prices for hardwood (used as support beams) were up 40%, rising from 25 lakh (2,500,000 MMK) to 35 lakh per 50 cubic feet. Prices for other woods (somtimes called "jungle wood") were up 90%, rising from 9 lakh to 15-20 lakh for similar volumes. Supply of skilled carpenters also remained poor, although there were reports of carpenters arriving from Yangon.

NFI prices in Sittwe were rising more aggresively than food items, with shelter and hygiene products up sharply. Plastic tarps were up 54%, and prices for mosquito nets had doubled, although prices for blankets were down 12%. Jerry cans were unavailable. Prices for hygiene products rose sharply, with toothpaste prices up 38%, soap prices up 25%, and prices for sanitary pads up 15%.

Mrauk-U Town Market

Market Conditions and Capacity - Mrauk-U market was operational as of May 19, and roof repairs were underway. Although Mrauk-U's main market lost portions of its roof in Cyclone Mocha, repairs were underway by May 19 and vendors interviewed reported fewer inventory losses than vendors in Sittwe. The market was open but hours were shortened slightly, with operations during 6am - 5pm. Vendors said some access routes to the market may be dangerous to downed trees.

Half of Mrauk-U retailers had returned to Mrauk-U market, and food supply was consolidated among fewer retailers. Roughly half of retailers and wholesalers had returned to Mrauk-U market as of May 19. Vendors were evenly-split between providers of food items, NFIs, and services (e.g., mechanics). Town-based customers had begun to return to the market as well as some village-based customers. As there were fewer operational shops post-cyclone, remaining food vendors reported a 60% increase in customers after the cyclone.

Retailers and suppliers in Mrauk-U said restocking would be slow and difficult—especially for foods—but they believed they could satisfy demand increases. Vendors interviewed said they could now supply most but not all of their current customer demand. According to vendors, supply is not typically disrupted by monsoon rains but Cyclone Mocha would likely inhibit resupply, particularly for food items. Vendors said the number of NFI suppliers was unchanged, but the number of food suppliers had fallen. Retailers of food and NFIs believed they could access supply for up to 50% more demand and were unlikely to raise prices further unless demand doubled. Vendors expected supply lead times to increase for food (doubling from 3-4 days to 6-7 days) as well as for NFIs (increasing from 10 to 15 days).

Product Availability and Demand - Mrauk-U vendors

said many foods and NFIs were in poor supply, with demand highest for essential foods and shelter goods. Foods like cooking oil, salt, rice, dried chili, and fish paste were in high-demand and poor-supply, as were NFIs like cooking pots, plates, bowls, and jerry cans. Vendors said very few products adequately supplied overall.

Rice prices were up 15% in Mrauk-U, but prices for oil and pulses were stable. Rice prices were up 15% for cheaper rice, while high-quality rice may be up much more (although this is more likely due to differences in the rice variety measured). Other essential food prices were fairly stable, with pulses down 8% and no clear evidence of rising palm oil prices.

Prices for hygiene- and shelter-related NFIs were fairly stable in Mrauk-U, relative to Sittwe and Ponnagyun. Prices for plastic tarps were up 15% and mosquito nets were out of stock, but jerry cans were available at 4,500 MMK/unit (pre-cyclone prices were unavailable). Soap prices were up 25%, but prices for toothpaste and sanitary pads were stable.

Ponnagyun Town Market

Market Conditions and Capacity - Ponnagyun's main market continued to operate with reduced hours, despite roof damage. As of May 19, Ponnagyun's main market still lacked portions of its roof, and although vendors reported major shop damage some avoided inventory losses by relocating goods to their homes. Ponnagyun market continued to operate although hours were shortened slightly, with operations during 7am - 4pm. Vendors said some access routes to the market may be dangerous to travel due to downed trees, phone/power poles, or buildings.

Just one-in-five sellers had returned to Ponnagyun market, but NFI resellers had increased in number. Just 10-20% of retailers and wholesalers had returned to Ponnagyun market as of May 19. Returning vendors mostly sold NFIs and a bumper crop of shrimp, and there were fewer general foods retailers. Although many vendors had not reopened, vendors said increased demand for NFIs had led to an increase in NFI resellers in/near the market. Most customers returning to the market are from Ponnagyun Town, although some were arriving from villages. Food retailers reported a 20-60% decline in their customer since the cyclone, although NFI sellers said their customers had tripled due to spiking demand.

Retailers and wholesalers in Ponnagyun reported few inventory losses, but there were 50% fewer suppliers and restocking lead-times were unclear. Vendors said they could now supply most but not all of their current customer demand. Supply shortages are not unusual in Ponnagyun during heavy monsoon rains, but vendors believed Cyclone Mocha would be worse than normal and said the number of available food and NFI suppliers was down 50%. Retailers of both food and NFIs said they would likely raise prices if demand increased by just 20% or more (retailers may be more apt than wholesalers to change prices frequently). Both retailers and wholesalers were unsure how conditions would impact current supply lead times (which they said typically require 3 days for goods to arrive from Mrauk U or Sittwe).

Product Availability and Demand - Ponnagyun vendors said NFIs were in short supply, and foods—although demand was high—faced a better supply situation. Ponnagyun vendors said NFIs in particular were in high-demand and short-supply. NFIs with high-demand and poor supply included: Power banks, plastic tarps, and metal roofing. Other NFIs which were also in high-demand but better-supplied included: electronics (e.g., flashlights, SIM cards, solar panels), linoleum floor-ding, and roofing nails. Among foods, only chili was described as poorly supplied, and other high-demand foods like rice and vegetables (e.g., eggplant, bamboo shoots, dried seaweed) were reportedly not in short supply.

Prices for rice and pulses were up 7-9% in Ponnagyun, but cooking oil prices were stable. Prices for rice and pulses were up 7-9% after the cyclone, while cooking oil prices were stable. Prices for high-quality rice may have risen sharply, but this is more likely due to differences in the variety measured or available pre- and post-cyclone.

NFI prices—both for shelter and hygiene products—were up steeply in Ponnagyun. Blanket prices were up 17%, while plastic tarps were up 60% and prices for mosquito nets had doubled. Jerry cans were not available. Toothpaste prices were up 19%, while soap was up 50% and sanitary pads were stable.

Prices for Selected Products (MMK)

Product	Category	Price for May 19, 2023 (MMK)			Percent Change (since May 1, 2023)		
		Sittwe	Mrauk-U	Ponnagyun	Sittwe	Mrauk-U	Ponnagyun
Better Rice (1 kg)	Essential Foods	2,200	2,700	3,500	10%	69%	94%
Cheaper Rice (1 kg)	Essential Foods	1,300	1,500	1,500	-13%	15%	7%
Palm Oil (1 liter)	Essential Foods	5,500	4,300	5,000	10%	-	0%
Pulse (1 viss)	Essential Foods	4,200	6,000	6,000	-35%	-8%	9%
Toothpaste (140 g)	Hygiene	1,800	1,500	1,900	38%	0%	19%
Soap (60 g)	Hygiene	1,500	1,500	1,500	25%	25%	50%
Sanitary Pad (10 pc)	Hygiene	1,500	1,000	1,000	15%	0%	0%
Blanket	Shelter	7,500	12,000	14,000	-12%	0%	17%
Mosquito Net	Shelter	9,500	-	9,000	90%	-	100%
Plastic Tarpaulin	Shelter	12,000	9,200	12,000	54%	15%	60%
Jerry Can	Shelter	-	4,500	-	-	-	-
Roofing metal (thick)	Construction	3,500	-	-	30%	-	-
Hardwood (50 cu ft)	Construction	3,500,000	-	-	40%	-	-
Jungle Wood	Construction	1,700,000	-	-	89%	-	-
Gasoline (1L)	Power	29,000	-	-	26%	-	-
Gas Generator (5kw)	Power	1,300,000	-	-	63%	-	-
Hand Pump	Water	83,000	-	-	98%	-	-
Water (50L)	Water	700	-	-	17%	-	-
Water (50L, incl. delivery)	Water	1,550	-	-	158%	-	-

Implications for Cash Assistance Programs

- **Cash assistance can be effective in Sittwe, Mrauk-U and Ponnagyun, where markets are damaged but still functional.** Cash assistance will be particularly important in these markets if travel authorizations remain unavailable and/or prepositioned in-kind stocks are small (although not all critical products will be available, such as some shelter products).

- **In-kind assistance should be deployed where possible, particularly to address needed shelter and construction materials.** In-kind assistance to households will be particularly important as local wholesalers recover from damaged markets and lost inventory following Cyclone Mocha.

- **Cash assistance will likely grow more important in coming weeks as regional supply chains recover.** External reports of functional regional transportation networks and sources of supply in Yangon and/or Mandalay suggest that supply networks could improve, making cash assistance increasingly important.

- **Cash transfer values may need to be increased due to the rising costs of some goods, especially if prices remain elevated for weeks.** Prices have been volatile since Cyclone Mocha, and further volatility may be expected in the weeks ahead. As such, it will be important for the Cash Working Group and Humanitarian Clusters to harmonize approaches as circumstances continue to change.

- **The implementation of large-scale cash transfer programs should be undertaken with caution due to supply constraints and potential market impacts.** While many vendors could satisfy 50% increases in demand, few could satisfy 100% increases (and most would raise prices). Monitoring markets and the market-related impacts of cash assistance will be necessary to ensure assistance is most effective.

- **Humanitarian organizations should prioritize increasing the supply of goods into Rakhine State, rather than procuring high-demand foods and NFIs at local markets.** Due to poor supply, large-scale local procurement can negatively increase prices and reduce availability for households not benefiting from assistance programs. Instead, humanitarian organization should increase supply into Rakhine State and support delivery by local market actors.

- **Price and availability of goods should continue to be monitored closely.** Market conditions vary by location and are likely to change further, therefore cash assistance will require continued market monitoring in the weeks and months ahead.

Market Analysis Unit (MAU)

The Market Analysis Unit is an independent project that provides donors, humanitarian responders, development practitioners and private sector actors in Myanmar with data and analysis to better understand the impacts of market developments, conflict and other crises on:

- Household purchasing power, including coping mechanisms, safety nets and access to basic needs;
- Supply chains, including trade, cross-border dynamics and market functionality (particularly as it relates to food systems);
- Financial services, including financial services providers, household and business access to finance and remittances; and
- Labor markets (formal and informal), with a focus on agricultural labor and low-wage sectors (e.g., construction, food services).

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