

West and Central Africa

Markets Update: Special Issue on the Ebola Outbreak—26 August 2014

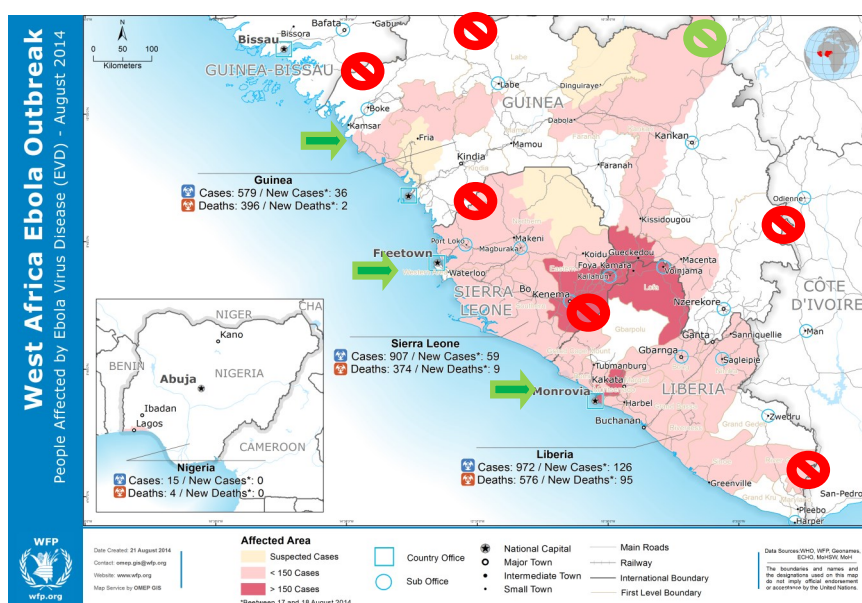
Highlights

Fundamentals:

- As of August 21, all land borders of Guinea, Liberia and Sierra Leone have been closed or the movement of goods and people has been restricted, with the sole exception being the border between Guinea and Mali;
- Cameroon and Chad have closed their respective borders with Nigeria;
- Nearly all airline companies have suspended flights to the three countries;
- Poor road conditions are exacerbated during the rainy season, leading to higher transportation costs and longer delivery time;
- In some parts of the countries the harvest season has just started (e.g. Liberia and Guinea). The exact levels of harvest remain to be assessed;
- Food price volatility is common in these countries.

Key statements as of 26 August 2014:

- Guinea:** Border closure measures (Senegal/Guinea) seem to significantly increase food prices in the Labe market. The full extent of Ebola on food prices remains unclear and will continue to be closely monitored and analysed;
- Liberia:** The official announcement of the Ebola outbreak in March 2014 did not seem to affect the price of imported rice at first. However, the deteriorating situation is a likely contributor to the increase in food prices observed since July 2014. The current analysis suggests that the increase in rice prices is due in part i) to the devaluation of the Liberian Dollar, ii) a general increase of international rice prices and iii) movement restrictions in certain parts of Liberia.
- Sierra Leone:** Similar to Liberia, it seems that the geographic spread of Ebola has led to a price increase of imported and local rice since July. As of 25 August 2014, data on food prices is extremely limited to enable a reliable price analysis.
- Regional:** The situation in Nigeria will continue to be closely monitored.



Guinea

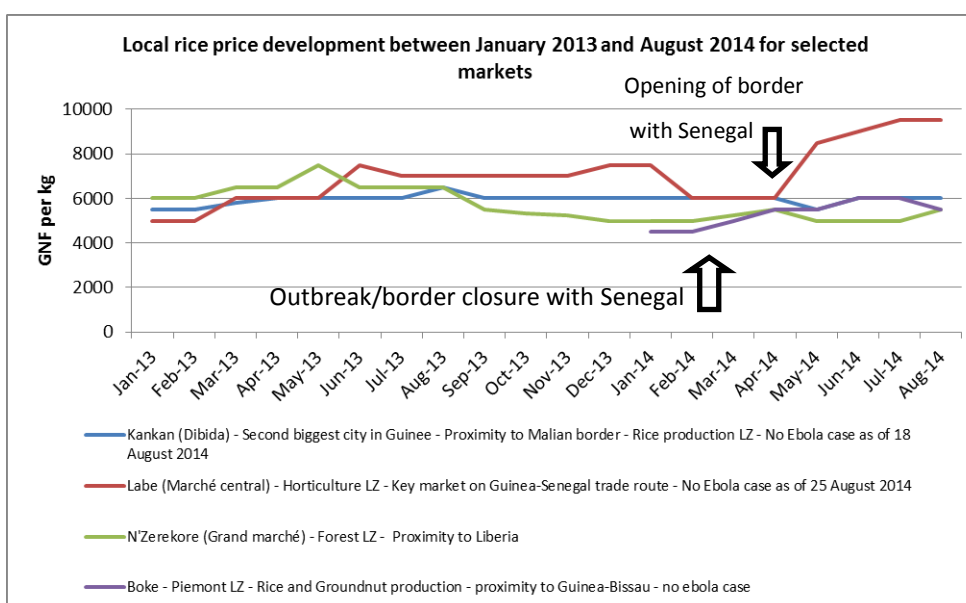
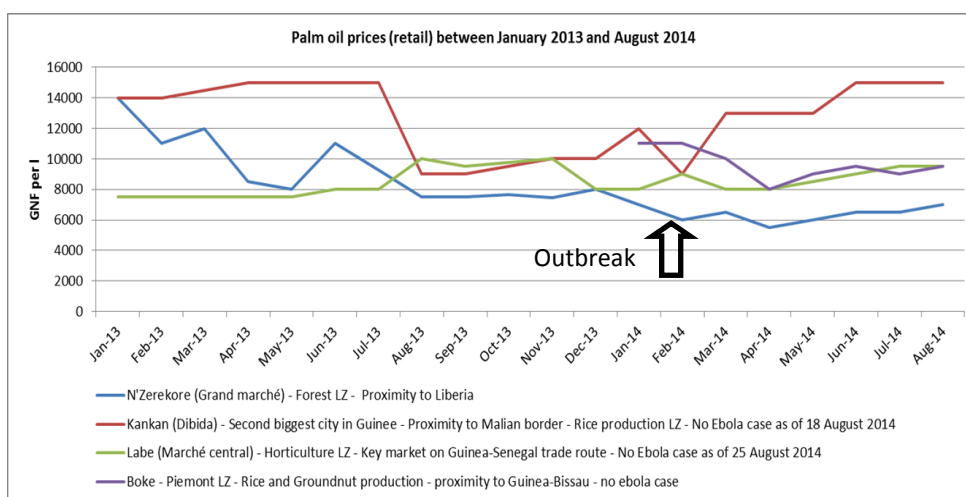
Markets to monitor: Conakry, Labe, Kankan, Kissidougou, Nzerekore, Gueckedou, Macenta

Products to monitor: Rice (imported/local), Palm oil, Cassava, Fuel

Observations:

- Markets are open and functional, except four weekly rural markets in Pita (25 August 2014).
- In N'zérékoré (south-east of the country 15 kilometers from the Liberian border) prices remain stable for most commodities, except for local rice, palm oil, and cowpea. Food stocks are available in stores. Currently no market was closed in the Forest Region.
- In Labe (North – 120 kilometers from the Senegal border), the local rice prices have risen sharply in April 2014. The exact reason is unclear. The Ebola outbreak was declared in February 2014. In February and March 2014 the land border between Senegal and Guinea was closed.

- Economic activities have declined near the Liberia, Sierra Leone and Cote d'Ivoire borders due to their closure.
- In Kankan (North East – 150 kilometers from the Mali border), palm oil prices show an important increase since February 2014 when the Ebola outbreak started.
- In Boke palm oil prices showed a downward trend during the first quarter of 2014 follow by a slight increase in price during the second quarter of 2014.



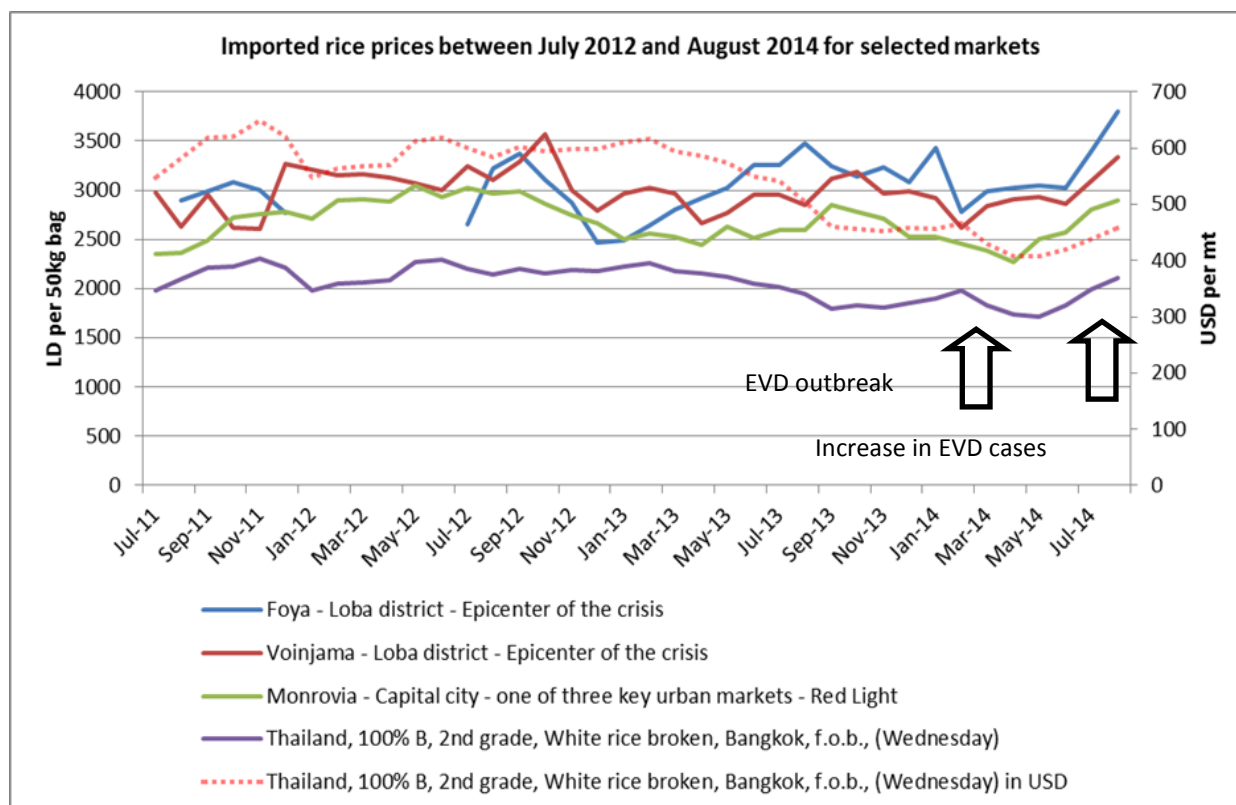
Liberia

Markets to monitor (among others): Monrovia, Foya, Voinjama, Pleebo, Bo Waterside

Products to monitor: Rice (imported/local), Palm oil, Cassava, Fuel

Observations:

- Important price increases detected for selected commodities (e.g. Cassava (+30%) and Palm Oil (+29%)) in Monrovia. Imported rice prices have remained relatively stable (+3%).
- Between July and August, imported rice prices increase on average by 12% at national level.
- According to Ministry of Commerce and Industry (MOCI), the national stock level as of August 22, 2014 stands at about 30,000mt allowing to meet consumption requirements until September 21, 2014. The monthly imported rice consumption rate stands at approx. 29,000 MT. Rice imports of about 71,000mt are expected in the country by mid-September.
- A military road block established at the Cestos River Bridge bordering Nimba and Grand Gedeh Counties has cut off close to one thousand people (mostly traders)
- on both sides of the check points. These areas are low in local rice production and rely on Monrovia, main port of entry for supplies of imported products and local food products. Commodities such as dried pepper and brown cowpeas are no longer available in most markets in this region.
- Poor road conditions combined with seasonal heavy rains (July – September) usually translates to high transportation costs and higher food prices. This situation coupled with new measures such as military road blocks which restrict travels could have a serious impact on food availability and access, putting additional pressure on food prices and other basic commodities.
- Food and water prices have increased in Monrovia after putting parts of the city under quarantine.

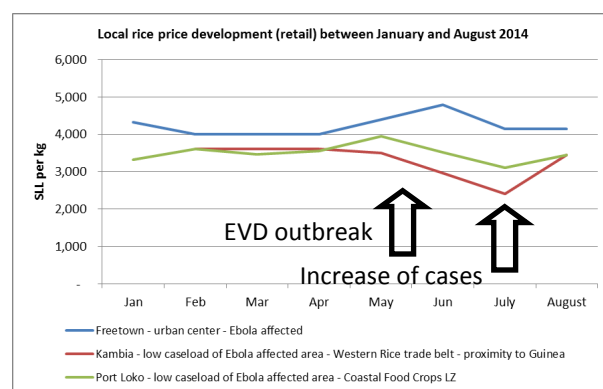
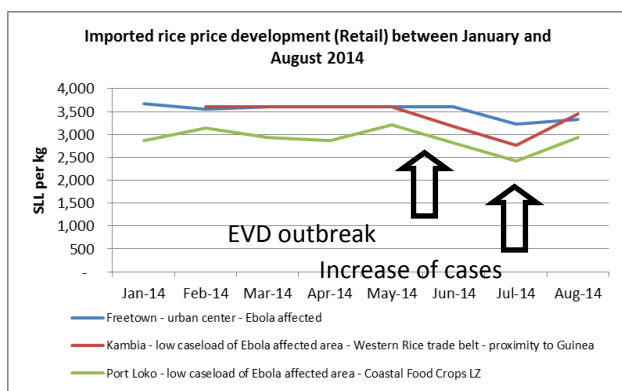


Markets to monitor: Freetown, Koidu, Kenema, Bo, Waterloo, Port Loko and Kambia

Products to monitor: Rice (imported/local), Palm oil, Cassava, Fuel

Observations:

- There is not enough price data available for the hardest areas hit by Ebola (Koidu and Kenema) to conduct a thorough analysis (as of 25 August 2014).
- An early harvest is currently supporting households' efforts to meet their basic food needs. Normal livelihood strategies are being applied.
- An analysis of monthly food commodity price data indicate higher prices between the first and second quarters of 2014. Price variations fluctuate considerably by food commodity and by district.
- Nationally, significant price increases are recorded for Cassava, with the Q2 price 40% higher than Q1. In Koinadugu district, cassava prices increased by 48%. At the national level, the price of local rice have slightly increased; however changes in local rice prices varied considerably by location.
- National price averages for imported rice and palm oil recorded a decrease between Q1 and Q2 of 2014. Imported rice prices decreased by 4.3%.
- According to a quick assessment of markets in Freetown, Port Loko and Kambian, the Ebola outbreak has created an atmosphere of increased fear in both consumers and trader's perception of scarcity of staple commodities which explains to them the price increases.



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