



# South Senegal: Ebola Trade Impact

## Rapid Assessment in Diaoube and Kedougou

### Highlights

- **Traders indicate a drop of market activities by 50 percent since early August due to border closure with Guinea**
- **Fruit and palm oil from Guinea no longer available in border markets**
- **Closure of weekly markets expected to lead to additional declines in trading activities in the sub-region**
- **Cereal prices in Diaoube relatively stable since the beginning of 2014**

A rapid market assessment of Senegal/Guinea border areas was conducted 2 - 4 September 2014 to inform wider food security analysis for the region affected by the Ebola crisis. Two main sub-regional markets were visited: Diaoube and Kedougou. Mission objectives included:

- Analyze repercussions of the border closure on sub-regional trade flows; and
- Collect market information from wholesale and retail traders in Diaoube and Kedougou;

A basic traders survey tool was used to collect information. This mission was jointly conducted by the OMD Regional Bureau and the Senegal Country Office.

### Traders indicate a drop of market activities by 50 percent

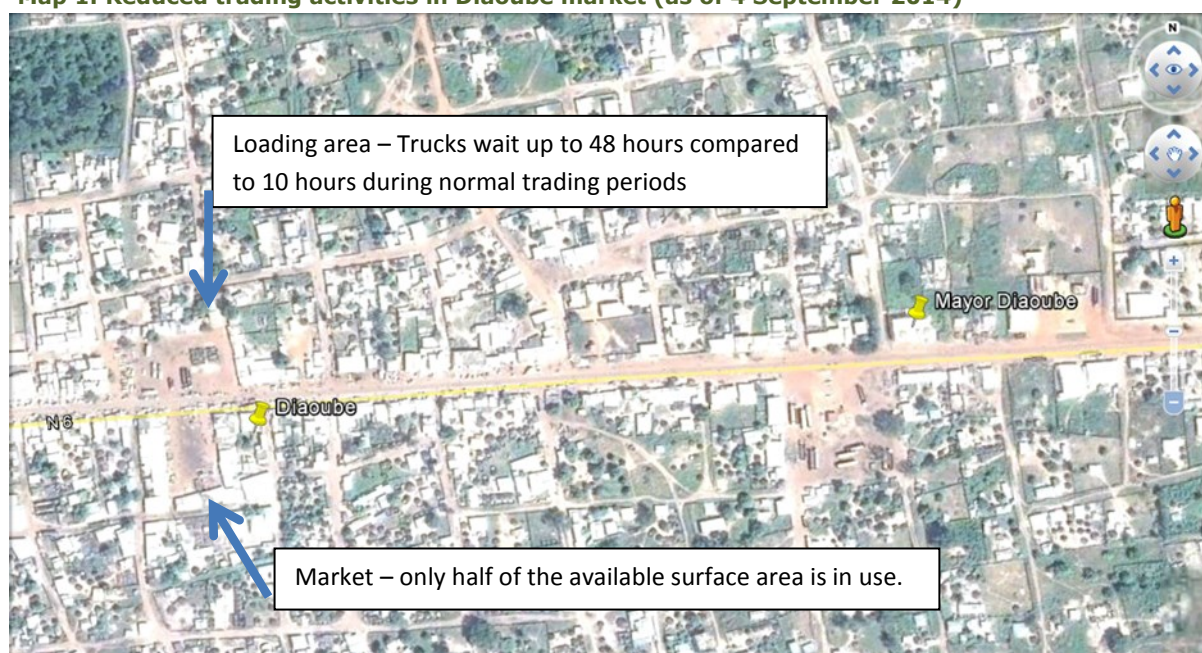
Diaoube and Kedougou in southeast Senegal are important commercial hubs, linking traders from Mali, Senegal, Sierra Leone, Guinea, Guinea Bissau and the Gambia. All essential staple food commodities are traded. While Senegal exports millet, cowpeas, onions, groundnuts, and livestock to Guinea, it imports gari, palm oil, and fruits from Guinea. Kedougou, located 30 km away from the Guinea border, is the largest town in southeast Senegal. Until recently, gold mining contributed to the area's economic growth. However, increased insecurity led to a closure of the mines in July 2014.

All traders that were interviewed during the rapid assessment confirmed a decrease of trade in Kedougou and Diaoube markets. On the weekly market in Diaoube, only about half the number of usually installed stalls were present during the official Wednesday market day (see map 1).

Traders in Diaoube explained that the first closure of the border in February 2014, led to a total suspension of food imports from Guinea. Food imports increased steadily when the border was re-opened in May 2014. Traders reported that all food imports came to a halt again with the border closure in August 2014. Current trade volumes are consequently 50 percent below levels that were observed during the same time last year, according to traders. The closure has not only led to a halt in food imports from Guinea, but also a decrease in trading activities with Dakar (pop: 1.05 million), Thies (pop: 320,000), and Touba (pop: 550,000). According to traders, 100 large trucks supplied Diaoube on an average market day last year, compared to only 10 to 20 trucks now.

As a result, daily wage labor market has suffered, leading to reduced income for porters, small restaurants and retailers. Loaders reported their only income for the week to have decreased from CFA 10,000 to CFA 5,000. Insecurity, delayed rainfall and mine closures put additional burdens on market activities. Traders also indicated that the delayed start of the rainy season and harvest directly impact food access capacities of poor households. With limited financial means and none of their own food products to sell, these households are currently unable to purchase necessary food products in the markets.

**Map 1: Reduced trading activities in Diaoube market (as of 4 September 2014)**



### Fruit and palm oil from Guinea no longer available in border markets

With the closure of the border, palm oil, fruit and coffee originating from Guinea are no longer available in these markets. Consequently, palm oil prices have increased 40% and coffee prices have increased 50% in less than four weeks. Palm oil is an important food item for many poor households in the region, and is traded regionally in large quantities.

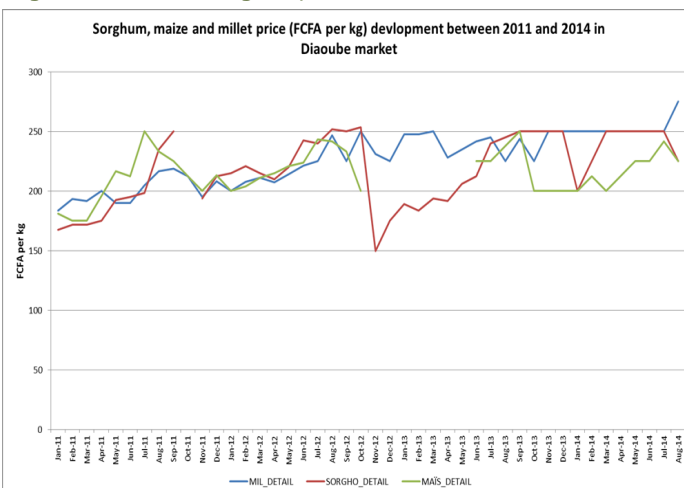
### Cereal prices in Diaoube relatively stable since the beginning of 2014

Sorghum and millet retail prices on the Diaoube market have remained stable between January and July 2014. Millet prices increased in August 2014 to 275 CFA per kg, the highest level observed in recent years, while sorghum prices decreased. Maize shows normal seasonal patterns, with prices increasing steadily into the lean season. Prices in border markets in neighboring Guinea are going to be collected and will need to be monitored to assess the overall impact of the border closure.

### Closure of weekly markets expected to lead to additional declines in trading activities

On 3 September, Senegal's Ministry of Interior requested the closure of 16 weekly markets along the border with Guinea (see map 2). This closure will likely lead to a further slowdown of economic activities in the region, affecting not only Guinea and Senegal, but also The Gambia and Guinea Bissau.

**Figure 1: Prices of sorghum, maize and millet in Diaoube market**



Source: WFP

### No Ebola-specific measures to address the outbreak observed on markets

While most traders were aware of Ebola virus risks and modes of transmission, no specific measures to address the outbreak were observed in either of the visited market. Only administrative buildings have set up hand washing facilities and obliged visitors to use them before entering premises.



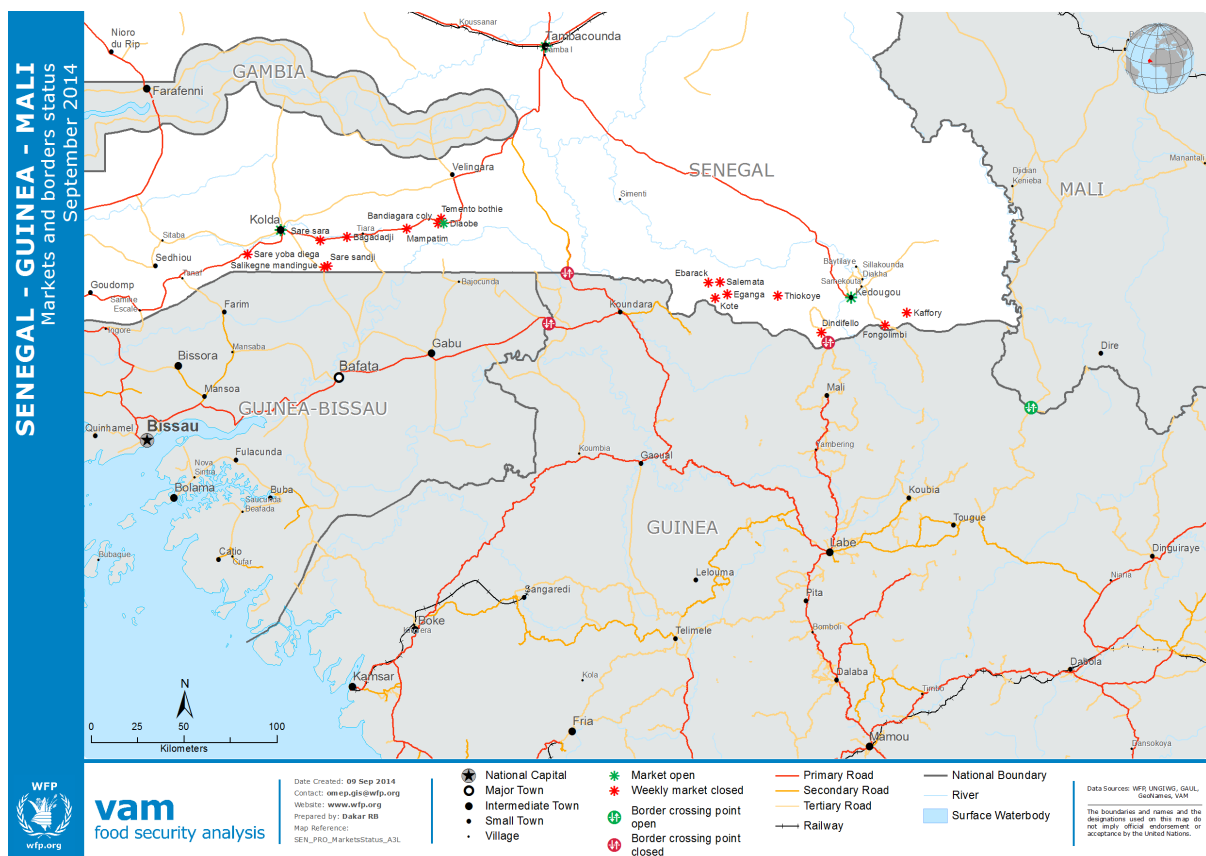
## Conclusion and Operational Implications

Considering the substantial drop in trade flows for palm oil and other key commodities, there is high risk for prices to increase and hamper sub-regional commerce, especially during the upcoming harvest. This situation will also be aggravated by closures of weekly markets on the Senegalese side of the border, if those measures will be maintained over the next few weeks.

The following actions should be considered:

- Continue weekly monitoring of border markets. A detailed analysis of market flows and prices with special focus on the palm oil, groundnut and coffee supply chains should be conducted.
- Cote d'Ivoire, The Gambia, Guinea Bissau and Mali should scale up market monitoring activities due to the closure of weekly markets in Senegal. Price data for palm oil and cassava should be collected on a regular basis.
- Similar rapid market assessment missions in Cote d'Ivoire, The Gambia, Guinea Bissau and Mali should be conducted.
- Include palm oil products in WFP global price database for Senegal.

**Map 2: Location of closed border markets in Senegal (as of 4 September 2014)**



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