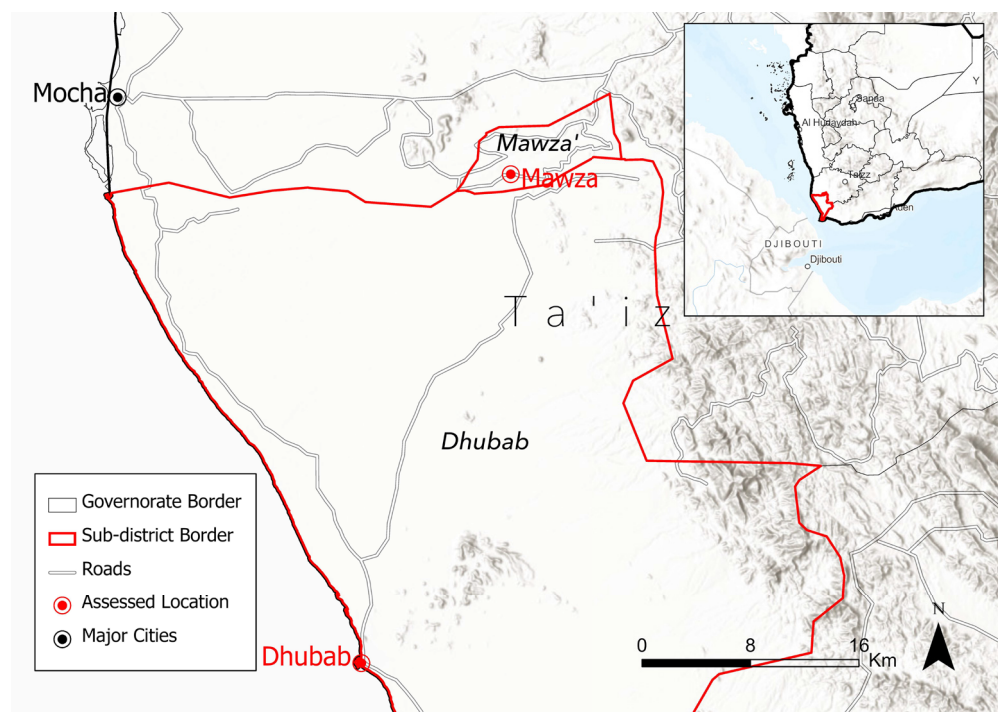


INTRODUCTION

IOM and REACH conducted a Joint Rapid Assessment of Markets (JRAM) in Mawza and Dhubab market in Ta'iz governorate in April 2022. The assessment draws on key informant interviews with retailers, wholesalers and consumers, with the objective to quickly map the markets' functionality and availability of key items, and consumers' accessibility to the market, its products, and cash. The rationale of the assessment was to inform IOM on the feasibility of future Cash and Voucher Assistance (CVA) in the area. More methodological details are found on [page 4](#).



Mawza and Dhubab are rural towns in Ta'iz governorate. Mawza has an population of approximately 21,000, of which 1,800 are internally displaced people (IDPs). Dhubab has an population of 26,000 with 4,500 IDPs.² The vendors serve the towns' citizens and its neighboring villages. The field team estimated a total number of 30-40 shops per town providing goods and services.

KEY FINDINGS

- Among the main factors depleting vendors' capital were price inflation, risk of credit default by consumers, and a high demand for purchases on credit.
- Currency depreciation was reported as the major contributor to the increase in consumer prices in the 60 days prior to data collection.
- Since the onset of the conflict,¹ the supply route to Mawza and Dhubab is characterised by road closures, bad road conditions, and check-points, causing long transportation time and that push up the prices of commodities. Lately, this effect is compounded by fuel shortages and high fuel prices.
- Majority of vendor key informants (KIs) expect to keep goods available and business open. A smaller portion of interviewed vendors are less optimistic about their the future of their business; this difference in was accredited to competition between the interviewed vendors.
- According to the interviewed vendor KIs, monitored food and WASH items were widely available in the assessed markets; vendors reported no shortages of the monitored items, and indicated storing around 1 week of stock.
- Whereas this indicates vendors' resilience to pressures on capital and a challenging supply chain, it is uncertain whether vendors can sustain a wide and timely availability of goods if their capital reduces further or supply routes are restricted more.
- Markets were accessible to consumers without obstacles or perceived lack of safety.
- Half of food and WASH retailer KIs (11/18 KIs) reported that they had not given out credit in the last 60 days, or reported consumers defaulting on their credit as a potential future risk (12/18).
- Vendor KIs that did allow credit purchases, reported most likely to allow credit purchases to neighbours and friends; therefore, access to credit might be more difficult for IDPs or people from villages.
- Of the interviewed consumer KIs, 78% reported decreased income or purchasing power in the last 60 days. The most cited cause was unemployment (76%) followed by the end of humanitarian assistance (26%), inflation (24%), and currency devaluation (21%).
- As a coping mechanism to decreased income or purchasing power, more than half of the consumers reported purchasing goods on credit (64%) in the last 60 days. Other coping mechanisms frequently reported were eating different (57%) or fewer meals (57%). 30% of consumers reportedly sold household assets, while 23% indicated selling productive assets in the last 60 days.
- In light of the referenced coping mechanisms, consumer KIs will likely need to repay debts or compensate for a loss of assets in the future.

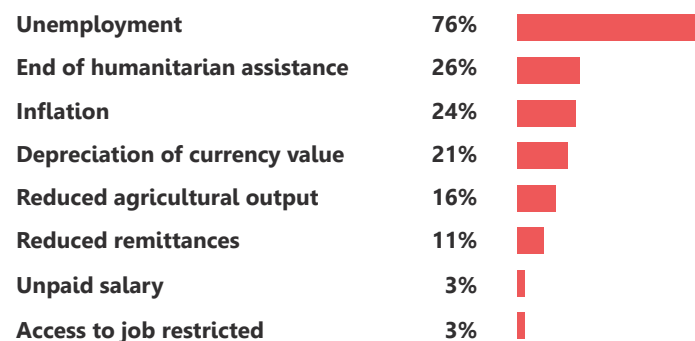
¹ Supply chains have been disturbed and redrawn in Ta'iz governorate since the onset of the conflict, and in particular due to the siege of Ta'iz city. International Crisis Group. [Towards Open Roads in Yemen's Taiz](#). 10 May 2022.

² [Yemen Population Estimates 2021](#). 31 December 2021. Humanitarian Data Exchange

PURCHASING AND CONSUMPTION HABITS

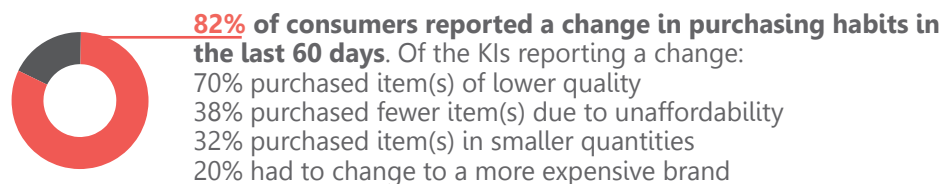
The interviewed consumers were asked whether they had perceived a change in their income or purchasing habits. 78% of the consumers reported a decrease of income or purchasing power in the last 60 days. When asked about the reason for this decreases, 76% of consumers referred to unemployment.

Figure 1 : Reasons for decrease in income or purchasing power, reported by consumer KIs¹



Of the consumer KIs, 82% reported a change in their purchasing habits in the last 60 days: purchasing items with lower quality (70%), purchasing smaller quantities (32%), or purchasing a more expensive brand (20%). In addition, 38% reported refraining from buying a certain item due to unaffordability.

Figure 2 : Changes in purchasing habits, by consumer KIs¹



The adopted changes indicate a reduced consumption or consumption of items of lower quality or nutritional value. Similarly, when consumers were asked how they cope with the change in purchasing habits and/or decrease in income or purchasing power, 57% reported altering their food consumption patterns by eating fewer or different meals. However, the most commonly used coping strategy was purchasing on credit (64%), see also access to cash and credit, [p.4](#). In addition, consumers reported receiving support from friends or family (30%). Among the most commonly reported strategies for raising cash were selling productive assets (30%) and household assets

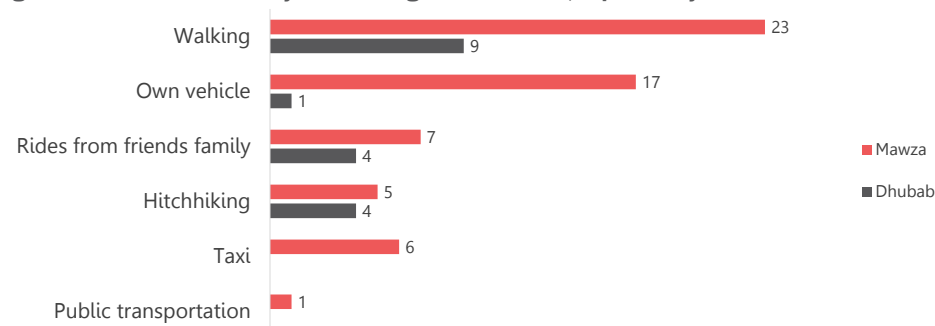
Figure 3 : Coping strategies to deal with reduced income or changes in purchasing habits, as reported by consumer KIs¹



MARKET ACCESSIBILITY

The assessed markets appear accessible and safe to the interviewed consumers. When asked if they faced issues accessing the market in the last 60 days, only 6% indicated facing problems. In addition, 90% reported no perceived lack of safety on the market or when traveling to the market². The most common mode of traveling to the market was walking (65%), followed by relying on one's own vehicle (37%) or rides from friends or family (22%). 55% of consumer KIs indicated that they incur costs when traveling to the market, ranging from 1,000 to 50,000 YER weekly, and the median reported cost was 10,000 YER.

Figure 4 : Most common way of traveling to the market, reported by consumer KIs¹

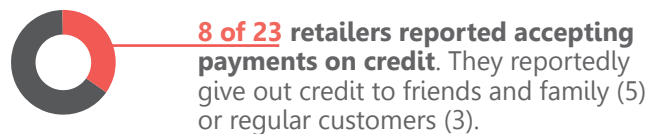


¹ Respondents could give multiple answers.

ACCESS TO CREDIT

Of the retailers interviewed, only 3 out of the 13 food and WASH retailer KIs in Mawza indicated accepting credit purchases in the last 60 days, whereas all of the retailers interviewed in Dhubab (5) allowed credit purchases. None of the fuel vendors offered credit payment.

Figure 8 : Vendors reportedly accepting purchases on credit in the last 60 days



At the same time, the retailers reportedly restrict credit purchases to friends, family, neighbours, or regular customers. This was confirmed by the data collection team, who indicated that IDPs are unlikely to be eligible for a credit purchase. Moreover, vendors appeared weary of the risk of credit default of customers, accounting for another possible reason why credit may be inaccessible to consumers, see figure 10. These findings indicate that credit purchases for food and WASH items may be difficult to access for consumers. This is particularly relevant because purchasing

PRICE OF MONITORED ITEMS

The median price of the assessed items is found in table 1. Vendors reported prices had increased in the last 60 days, which is confirmed by JMMI data showing that the cost of the food SMEB in both districts has increased with more than 40% between February and April 2022.¹

When asked why the items in sale had increased in price in the last two months, the majority (22/26 KIs) of vendors pointed towards the depreciation of the Yemeni Rial, or indicated raising the prices due to their suppliers doing the same (21/26 KIs). A smaller proportion of vendors attributed inflation to high fuel prices (6 KIs), reflective of the recent fuel crisis. In addition, long transportation time (6 KIs) has

had an ongoing impact on Dhubab and Mawza since the onset of the conflict (see availability and supply).

Figure 5 : Reasons for price increases in the last 60 days, by vendor KIs²

Compensate for currency depreciation	22/26
Supplier increased the price	21/26
High fuel prices	11/26
Long transportation time	6/26
Taxation	1/26

AVAILABILITY AND SUPPLY

Some of the vendor KIs (8 KIs) obtain their supplies from wholesalers in Mawza and Dhubab, while others (12 KIs) order supplies directly from Mokha or Aden.² Two main supply routes lead to Mawza and Dhubab. One is a coastal road connecting Aden and Mokha. The second is the inland road through Ta'iz and Lahj, which is the main road but faces detours due to the conflict, particularly around Ta'iz city.³ As such, despite the area's relative proximity to Aden port, road damage, check-points, and road closures tend to increase transportation time from 1 day to 2-3 days. Beside the resulting supply challenges, the prolonged transportation time, together with check-point fees, push up market prices.⁴

With this backdrop, transportation challenges were reported to only some extent, and specifically in regards to the fuel crisis (7 KIs). Other challenges were longer roads (4 KIs), road damage (1 KIs) and movement restriction (1 KIs). In addition, price inflation is reported, as it challenges vendors to maintain sufficient capital to finance new orders. Furthermore, supply lines appear to be stable in the 60 days prior to data collection; 19 out of 21 food and WASH vendor KIs reported no changes to their main supplier(s).

It is notable that the majority (10/18 KIs) food and WASH vendors did not report issues supplying items sold in the store and monitored items appear to have a good availability: no shortages were reported, an average of 6 days of stock was stored for dairy and 10 days for dried products, and restocking takes on average 1 day. In addition, nearly all respondents reported being able to meet an hypothetical 50% increase of consumer demand. It is important to note that vendors might be over-confident in their reporting. At the same time, the overall findings indicate resilience of the vendors to secure supplies. Possibly, vendors have adapted to the challenging

Table 1 : Median price (YER) of monitored items

Assessed items	Dhubab	Mawza
Wheat flour (1kg)	850	900
Rice (1kg)	1200	1050
Beans (1 can)	800	900
Vegetable oil (1L)	2500	3300
Sugar	1000	1200
Salt (1kg)	150	200
Eggs (box of 30)	3500	4500
Milk (300ml)	600	600
Yogurt (100g)	200	200
Food SMEB⁵	115,200	129,500
Soap (100g)	300	300
Laundry powder (100g)	300	350
Bottled water (0.75L)	400	400
Sanitary napkins (10 pieces)	2300	500
Petrol (1L)	7273	6818
Diesel (1L)	1450	1550
Cooking gas (20L)	1300	1475

¹ Joint Market Monitoring Initiative. [Interactive Dashboard](#).

² Respondents could give multiple answers

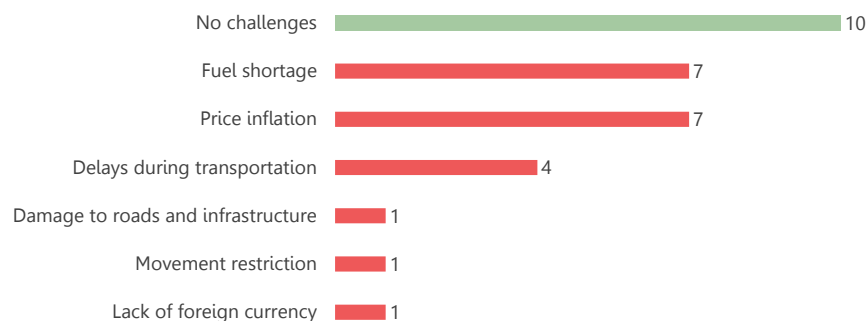
³ [Yemen access constraints Map](#). 12 April 2022. Logistics Cluster

⁴ Reported by the data collection team

⁵ Contains wheat flour (75 kg), dry beans (10 kg) or canned beans (36 cans), vegetable oil (8 L), sugar (2.5 kg), salt (1kg)

supply chain, because it has existed since the onset of the conflict.¹ Nonetheless, the challenging supply route raises uncertainty on the ability to quickly re-route supply routes or scale-up business if needed. Close monitoring of the market in case of sudden market-disruption could contribute to a further understanding of the vendors' ability to cope with a supply chain shock.

Figure 6 : Challenges when supplying goods, by food and WASH retailer KIs¹



The interviewed diesel and petrol vendors (3 KIs) did not report shortages, and their prices appear concurrent with official prices.² Cooking gas vendors reported shortage of supplies (2 KIs), echoing the ongoing fuel crisis.³

IMPACT OF CRISIS ON BUSINESS FUNCTIONALITY

The interviewed vendors were asked how they expect their business to develop in the upcoming half year. While most vendors predicted stability or growth, 7 of the 26 interviewed vendors expected to face uncertainty or decline. The results points towards difference in vendors' experiences. Consultation with the enumerators uncovered that this is likely due to competition between vendors, in which some shops have unfavorable locations or products and hence face reduced demand.

In addition, vendors were asked what risks they expect their business to face in the future. They primarily reported a decrease in available capital as a consequence of credit default of customers (14 KIs), and the unaffordability of orders if price inflation continues (12 KIs). Thirdly, supply chain disruptions were cited as a risk (6).

Figure 9 : Vendors KIs' reported prospects for their business in the upcoming 6 months

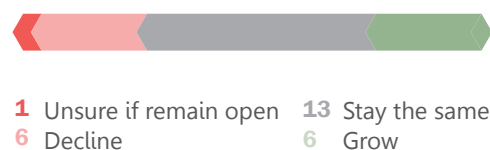
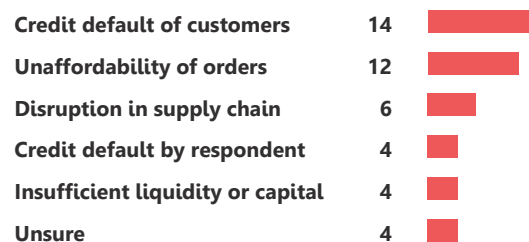


Figure 10: Vendor KIs' reported risks to their businesses⁴



METHODOLOGY AND LIMITATIONS

Data collection took place from the 30th of March until 12th of April 2022, using a standard survey tool provided by REACH. Key informant (KI) interviews were held with 26 vendors: 23 retailers (16 Mawza, 7 Dhubab)² and 3 wholesalers (2 Mawza, 1 Dhubab). In addition, 49 consumers (39 Mawza, 10 Dhubab) were interviewed. Respondents were purposefully selected. For vendors, selection criteria included the location and size of the shop and the items sold. Consumers were purposefully selected to obtain representation of different demographic groups (genders, age groups and people with disabilities).

Findings are indicative rather than representative for the markets. This is in particular the case for consumers in which the sample represents a small proportion of the population. Despite careful paraphrasing and enumerators' efforts to build rapport with interviewees, certain topics may be underreported due to their sensitivity, particularly if related to the conflict. The purpose of a Rapid Market Assessment is a quick mapping, hence certain market actors are left out of the exercise (e.g. distributors, importers and regulators). The complete methodology can be accessed via the [Terms of Reference](#).

ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research Operational Satellite Applications Programme (UNITAR-UNOSAT). For more information, please visit our website www.reach-initiative.org. You can contact us directly at: geneva@reach-initiative.org and follow us on Twitter [@REACH_info](https://twitter.com/REACH_info).

¹ International Crisis Group. [Towards Open Roads in Yemen's Taiz](#). 10 May 2022

² [Boqash](#). 11 April 2022.

³ [The Yemen Review, April 2022](#). Sana'a Centre.

⁴ Respondents could give multiple answers.