



Introduction

According to the most recent IPC report, 4.9 million people in South Sudan are food insecure.¹ Following the sudden onset of conflict in July 2016 and resulting restrictions on the supply of goods entering the country, it is imperative to understand how markets in areas at risk of food insecurity are effected by fluctuations in the humanitarian situation throughout the country. Between October-November 2016, REACH conducted a supply chain analysis of markets in Northern Bahr el Ghazal State to understand the supply chain, operational challenges faced by market stakeholders, and the likely short to medium-term future of trade. The following market profile reports the findings of 12 key informant interviews (KIIs) with traders across 7 markets in Northern Bahr el Ghazal.

Key findings

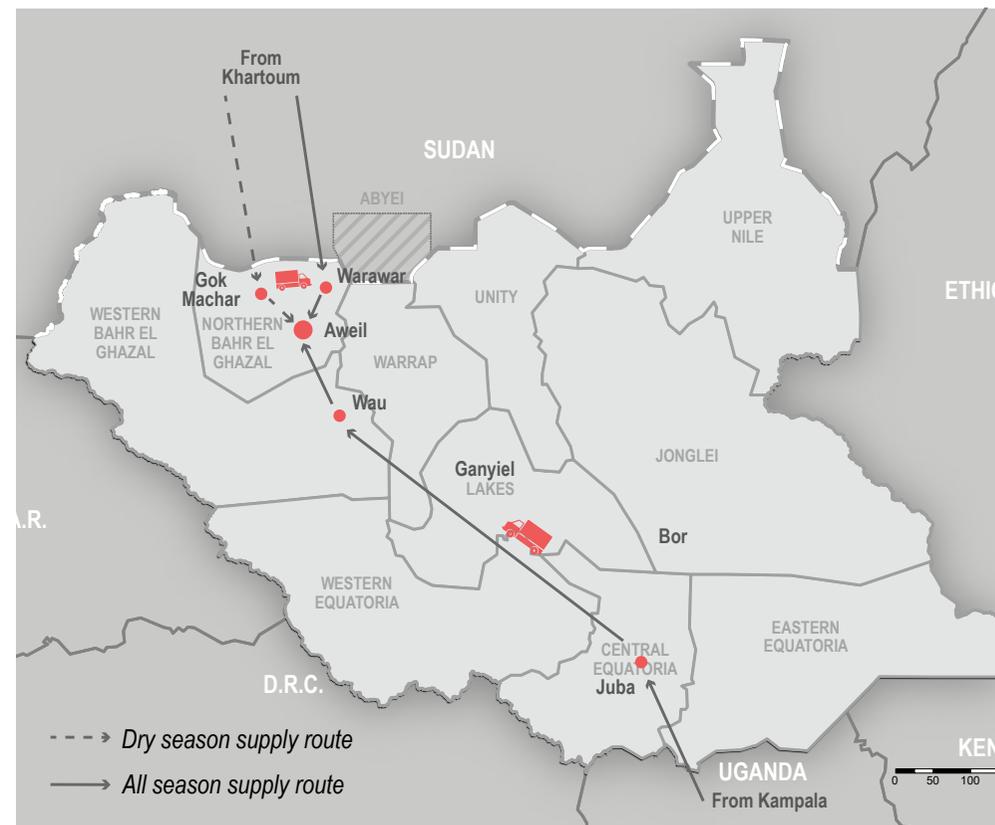
- Supply routes from Darfur and South Kordofan, although officially closed, remain informally open with goods arriving into key market towns in Northern Bahr el Ghazal.
- The key threat to supply routes comes from insecurity along the Sudan and South Sudan border. Trade blockages by Sudan could be used as political leverage in negotiations between the two countries, especially during the dry season when local cultivation is lower and the population is most dependent on markets for food.
- Aweil, Warawar and Gok Machar, key market towns within Northern Bahr el Ghazal State, remain connected to Juba supply routes via Wau. Staple items, such as flour and oil, are transported from Uganda using this route.
- The depreciation of the South Sudanese Pound (SSP) has caused many foreign traders to leave the area, severely reducing the strength of the supply chain.

Supply routes

The primary supply route for markets in Northern Bahr el Ghazal come from two trade routes originating in Khartoum. The primary supply route for markets in Northern Bahr el Ghazal are from two trade routes originating in Khartoum: Darfur - Gok Machar - Aweil and South Kordofan - Warawar - Aweil. Goods are moved along these routes by truck though Sudan and South Sudan, though the border crossing to Warawar is often done off-road via a fleet of motorbikes to avoid informal taxation. Once in Aweil, goods are moved by traders to smaller markets across the state via van, motorbike and bicycle. Some goods from Uganda are also transported by truck by Juba wholesalers through Wau and on to Aweil or directly to local markets. Prior to Independence, Sudanese government worked to maintain a steady supply of goods into the Bahr el Ghazal area. However, following independence, supply routes have become more contested, and intermittent closures of the border have disrupted trade. Despite official closure of these supply routes, informal trade has continued, albeit without access to main roads and transport infrastructure.

1. IPC. Global Alert: South Sudan Crisis, February 2017

Supply routes to Northern Bahr el Ghazal markets





Most common available market goods (November 2016)

The current availability of goods in market is low due to sporadic border closures which have restricted the availability of market goods, and poor rainfall. As a result, the primary source of food in the community is locally produced sorghum and fish from local rivers.



Unavailable goods

- Maize



Limited goods²

- Wheat Flour
- Sorghum
- Cooking Oil
- Pasta
- Beans

- Simsim

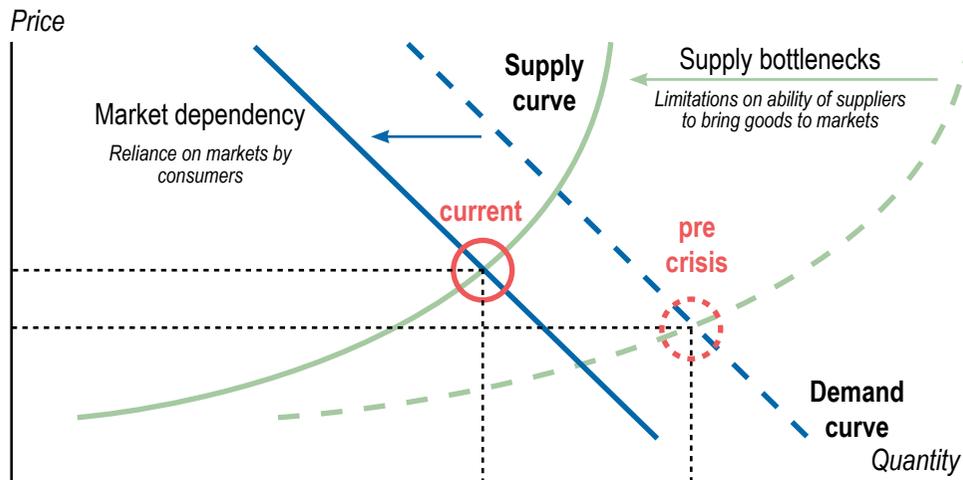


Available goods

- Lentils
- Fresh produce

Market supply and demand (November 2016)

Prior to the crisis, local cultivation during the wet season traditionally made populations less market-dependent (pre-crisis). Recent hyper-inflation from the economic crisis has decreased market dependency, lowering demand. Stockpiling of goods for the lean season and heavy informal taxation at border checkpoints, combined with hyper-inflation and limited supply channels in the wet season, have also greatly restricted market supply (current).



2. Goods are significantly less available than before.

SUPPLY: Bottlenecks

The economic crisis has restricted the amount of imports entering Northern Bahr el Ghazal. During the wet season, difficulties in transporting goods limit supply even further. The following supply bottlenecks were identified:

- Hyper-inflation:** The depreciation of the SSP had reduced profit margins for traders, hindering their ability to supply a large number of goods.
- Stockpiling:** Wholesalers are stockpiling food until the lean season. Resulting profiteering may cause artificial inflation.
- Checkpoints:** Heavy informal taxation at the South Kordofan – Warawar border crossing reduces the number of trucks crossing. Suppliers use alternative routes.
- Poor road infrastructure** inhibits the ability to move goods around the state.

DEMAND: Market dependency

During the wet season, because of poor road access for consumers living outside of Aweil Town, coupled with ongoing cultivation, there is a depressed demand for market-bought foods. Therefore, demand remains relatively constant regardless of increases or decreases in prices of food. The following factors affect market dependency:

- Hyper-inflation:** The depreciation of the SSP has reduced the purchasing power of consumers.
- Cultivation:** Local cultivation during the wet season reduces demand for market-bought foods.

Conclusion

This profile has provided an overview of supply chain dynamics for the 2016 wet season for markets in Northern Bahr el Ghazal. Poor road access, hyperinflation, and reduced purchasing power for both suppliers and consumers have reduced the quantity and quality of goods. Though supply routes have also been reduced because of poor roads and insecurity along the borders, they are still receiving from Sudan and Uganda. However, as the dry season approaches, and the population becomes more market dependent, there is an expectation that supplies to the market will increase. It is recommended that further analysis be conducted during the coming dry season in order to monitor how changes in road access and security affect market access.

