COVID-19: Potential impact on South Sudan

A WFP analysis of the market and food security implications of the pandemic

Vulnerability Analysis and Mapping Unit
April 2020

WFP South Sudan
ECONOMIC IMPACT of COVID-19

Direct cost on the South Sudanese economy, as the pandemic disrupts people's daily lives in terms of low economic activities and fewer jobs, less income and therefore lower purchasing power;

Spill over of market disruptions, globally and in China: as global demand falls because, among other factors, consumers' confidence collapsed, causing a massive drop in consumption. As a result, production and supply chains are likely to be disrupted;

Loss of oil revenue, as crude oil prices have more than halved since the beginning of the year, magnifying the impact of the first two effects.

These economic shocks are likely to exacerbate the severity of acute food insecurity in South Sudan.
South Sudan is highly dependent on China as an export market, which accounts for over 90 percent its export.

It does not have alternatives to China as a buyer nor has viable alternatives to its commodities for sources of growth.

Although it is expected to avoid recession, China’s growth rate is forecast to fall from 6% to 4.5%. That means far less demand for South Sudan’s crude oil.

While guarantees for infrastructure financing as payment may reduce South Sudan’s vulnerability, there is still a huge risk, if buyers claim “force majeure” and renege on those guarantees.
IMPACT ON COMMODITY FLOWS AND PRICES

Food prices in main markets are increasing due to a combination of stockpiling and supply shock;

In Juba, for instance, the prices of essential food commodities have risen in the main markets from week 3 (the week prior to adoption of restrictive measures) to week 5, as only shops dealing in food items can operate, while street vendors have been prevented from working;

Large increase in transport fares;

Price hikes are also reported in Yei and Maridi (Greater Equatoria), and Aweil (Northern Bhar-el-Ghazal);

If sustained, this is likely to translate into an early onset of the hunger season for market-reliant populations.
# Market Prices in KonyoKonyo Market, Juba

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Units</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cereals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maize Flour</td>
<td>1kg</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>300</td>
<td>300</td>
<td>20%</td>
</tr>
<tr>
<td>Sorghum Flour</td>
<td>1kg</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>300</td>
<td>300</td>
<td>20%</td>
</tr>
<tr>
<td>White Sorghum (feterita) Grain</td>
<td>Malwa (3.5kg)</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>600</td>
<td>600</td>
<td>20%</td>
</tr>
<tr>
<td>White Sorghum (feterita) Grain</td>
<td>Shewal (50 kg)</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>6,500</td>
<td>6,500</td>
<td>18%</td>
</tr>
<tr>
<td>White Sorghum (local)</td>
<td>Malwa (3.5kg)</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>600</td>
<td>600</td>
<td>20%</td>
</tr>
<tr>
<td>White Sorghum (local)</td>
<td>Shewal (50 kg)</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>6,500</td>
<td>6,500</td>
<td>18%</td>
</tr>
<tr>
<td>White Maize (grain)</td>
<td>Shewal (50 kg)</td>
<td>5,500</td>
<td>5,500</td>
<td>5,500</td>
<td>7,500</td>
<td>7,500</td>
<td>36%</td>
</tr>
<tr>
<td>White Wheat Flour</td>
<td>1kg</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>300</td>
<td>300</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Other Food</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Vegetable Oil</td>
<td>1 litre</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>425</td>
<td>425</td>
<td>6%</td>
</tr>
<tr>
<td>Irish Potatoes</td>
<td>1kg</td>
<td>350</td>
<td>350</td>
<td>350</td>
<td>400</td>
<td>500</td>
<td>43%</td>
</tr>
<tr>
<td>Salt</td>
<td>1kg</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>200</td>
<td>200</td>
<td>67%</td>
</tr>
<tr>
<td><strong>Livestock</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Bull (medium size)</td>
<td>per head</td>
<td>135,000</td>
<td>135,000</td>
<td>135,000</td>
<td>135,000</td>
<td>140,000</td>
<td>4%</td>
</tr>
<tr>
<td>Goat (adult male medium size)</td>
<td>per head</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>27,000</td>
<td>8%</td>
</tr>
<tr>
<td>Chicken (cock)</td>
<td>per head</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,500</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Non-Food</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>1 litre</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>140</td>
<td>17%</td>
</tr>
</tbody>
</table>
HUMANITARIAN ASSISTANCE

Significant implications on humanitarian assistance delivery, due to:

- procurement and funding difficulties,
- movement restrictions, and
- challenges related to ensuring distributions and other interventions are conducted in such a manner to avoid further spreading of the virus.

In South Sudan, as shown by various analysis in recent years, ongoing food security programmes play a key role in preventing a further deterioration of already precarious food security outcomes.
IMPACTS by POPULATION GROUPS
URBAN POPULATIONS

Further restrictions on non-essential local business activities likely to negatively impact business-derived livelihoods.

Labour opportunities for the urban poor already declining and will likely continue to, as social distancing measures take effect and limit movement.

Casual and fixed income workers paid in SSP will be trapped with lower wages, as their purchasing power continually diminishes (as inflation rises).

RURAL POPULATIONS

Negative impact on the agricultural sector, characterized by labour intensive production, aggravating the already limited production.

Main agricultural season is about to start: reduced labour force and, in turn, reduced production is likely to have long-lasting effects on 2020-2021 production levels.
REFUGEES AND IDPs

Displaced populations, especially those hosted in camps, are likely to be at much higher risk of contagious diseases.

This is due to overcrowding, intense social mixing between the young and elderly, and poor sanitation capacity within camps which might propagate transmission disproportionately.
WHAT TO DO NOW
While COVID-19 is a health emergency, it is likely to further exacerbate acute food insecurity. Beyond measures to contain the pandemic, it is essential to continue providing food assistance to support vulnerable populations. Thus, the following are critical:

**For humanitarian organizations**

**Continue providing support to the most vulnerable populations** through shock-responsive assistance and consider monitoring additional population groups that could become vulnerable and in need of food assistance, as a result of COVID-19 related effects.

**Continue monitoring food prices and markets**, as they represent a very critical indicator for the evolution of the food security situation.

Information is to be shared timely with decision-makers and all relevant stakeholders.

This will help evidence-based programming and using the most appropriate assistance modalities.
For the international community

Advocate for humanitarian corridors to remain open and restrictions on commercial trade to be minimized to ensure adequate food supplies.

WFP and the wider UN family has so far successfully liaised with the High Level Task Force to maintain free humanitarian movement, by air and cross-border.

The Government of South Sudan needs to advocate with their counterparts in the region and with trade organizations (i.e. IGAD) for a regional approach and strategy which takes into consideration the special needs and challenges of landlocked countries.

Advocate for the free movement of humanitarian cargo and ensure that rent seeking checkpoints are minimized along the transport corridors in the country, as Government puts in place measures to restrict movements between cities or communities.

Expedite contributions that are already pledged but not yet received as well increase resource allocations where possible, to support new needs.