

## KEY FINDINGS

- While government-enforced market restrictions may have led to reduced market functionality in traditional markets, some vendors reported new informal behaviours, such as an increase in informal vendors and the repurposing of public areas as makeshift market spaces (e.g. playgrounds and beaches). Respondents suggested that most new vendors are recently unemployed or day labourers (e.g. tom-tom drivers) who had recently lost their sources of income.
- Poultry items, beef, cold drinks, and any other items requiring refrigeration were examples of goods that have seen a decrease in demand since the virus outbreak. Vendors attributed this decrease directly due to community-held beliefs of possibly spreading the virus by eating these foods.
- Restocking and transportation concerns were commonly discussed by some but not all vendors. Lack of warehouses, particularly in more rural or remote areas such as the islands of Kutubdia and Moheshkhali, and the consistent demand for perishable items reportedly drives the need for constant restocking.
- Vendors reported a noticeable increase in customers requesting to purchase items on loan or credit, and suggested that the lack of income is not only driven by local restrictions but may be a particular concern for families who rely on remittances from those working abroad, especially in the Middle East.
- Vendors reported concerns related to practices of stockpiling, both by customers who seemed to stockpile items in anticipation of COVID-19 lockdown (e.g. grains, hygiene items, baby products), as well as wholesalers or middle men, who were reported to be stockpiling goods in anticipation for the annual price increases during Ramadan. The timing of the assessment (immediately prior to Ramadan) likely led to vendors feeling pressure from both customers and suppliers.

## INTRODUCTION

In response to the declaration of the COVID-19 pandemic by the World Health Organization (WHO), the Bangladeshi government announced a country-wide shut down and adopted various steps to control the spread of COVID-19, beginning in March 2020.<sup>1</sup> Findings from the World Food Programme Vulnerability Analysis and Mapping (WFP VAM) [remote market monitoring](#)<sup>2</sup> indicate that prices of certain food items in six markets across Cox's Bazar and Chattogram districts began to rise in late March due to the outbreak of COVID-19 in Bangladesh and the preventative measures that have been put in place to control its spread. Following the rapid imposition of these preventative measures on the interactions of people, goods, and services, a number of impacts on market functionality can be anticipated, which are important to understand and analyse in order to be able to support potentially vulnerable households – both vendors and customers – during these times of economic uncertainty.

In April 2019, REACH implemented a qualitative vendor survey to understand how market dynamics, supply chains and demand for goods are being affected by the COVID-19 outbreak and associated preventative measures in the host community in Cox's Bazar district. Findings from this survey are intended to complement ongoing price and market monitoring efforts.

## METHODOLOGY

This assessment was carried out through 12 Key Informant Interviews (KIIs) with male vendors from six upazilas<sup>3</sup> in Cox's Bazar District: Sadar, Ukhiya, Teknaf, Ramu, Kutubdia and Moheshkhali. Due to the ongoing closure of all public and private offices, the interviews were conducted remotely via phone calls, with a semi-structured tool focusing on market dynamics, changes in supply and demand, and other relevant topics. Vendors operating in main market areas in each upazila were chosen for the interview. Informed consent was sought and received (including permission taken for recording) at the beginning of each interview. The conversation was recorded and the transcriptions were translated from Bengali to English for analysis and cross-checked by two translators. All interviews were conducted between 21-24 April, 2020. REACH may conduct one follow-up round of this activity to understand how the situation has evolved for vendors, their customers, and others who are dependent on markets for their livelihoods and to cover basic needs.

Table 1: Number of informants by upazila

Upazila	Number of Informants
Teknaf	4
Ramu	3
Cox's Bazar Sadar	2
Ukhiya	1
Kutubdia	1
Moheshkhali	1

1. "Coronavirus: Bangladesh declares public holiday from March 26 to April 4" Dhaka Tribune. Published 23 March 2020.

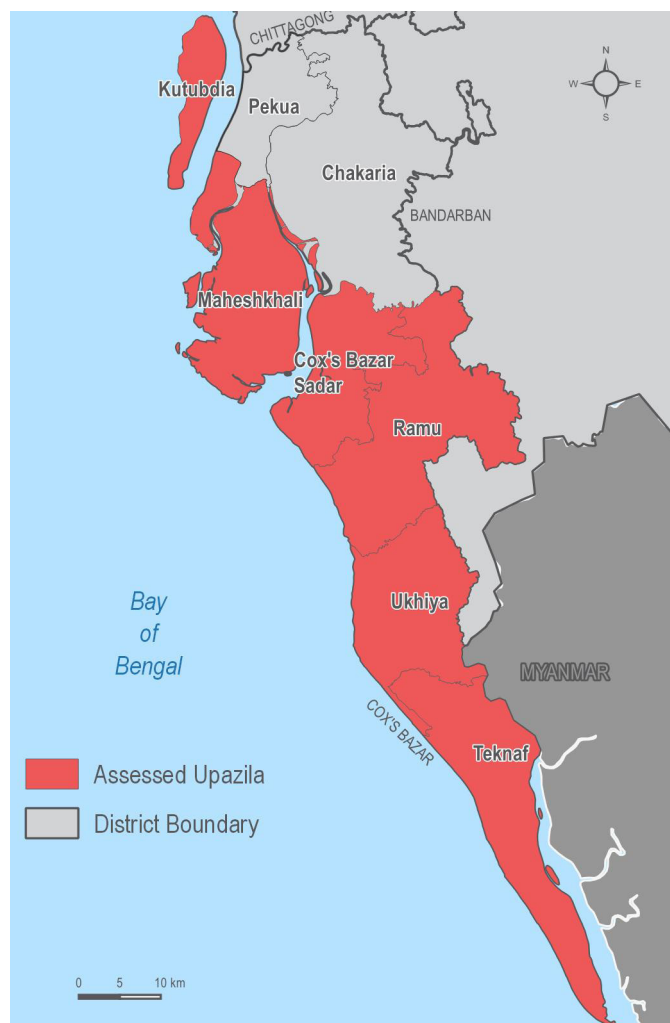
2. World Food Programme Vulnerability Assessment and Mapping Unit (WFP VAM) Remote market monitoring survey, April 2020

3. Upazilas are the sub-district administrative units in Bangladesh.

## LIMITATIONS

- This study used qualitative methods of research; as such these findings are only indicative and cannot be generalized for the entire population of the district. However, attempts were made to 1) ensure at least one informant from six of the eight upazilas in the Cox's Bazar district were interviewed, and 2) to reach a diverse range of vendors selling food and non-food items. Additionally, attempts were made to harmonise selected market areas with those that were included in the WFP VAM flash market update, but as findings are qualitative in nature, general trends have been presented without any disaggregation by specific market areas
- Certain responses may be under-reported or over-reported due to the subjectivity and perceptions of the interview. Behaviour and body language cannot be observed during phone interviews. The remote nature of phone interviews might have led some respondents to be more forthcoming and while others might be less forthcoming.
- Participating vendors were primarily selling fresh and dry food items, pharmaceutical items, or hygiene items. Vendors working in shops selling non-essential items (e.g. jewelry, electronics) were unable to be reached for this survey, likely due to the COVID-19 related restrictions. Findings therefore primarily capture perspectives of vendors of 'essential items' able to remain semi-operational during this time.
- Most of the vendors interviewed were retailers, hence the study does not equally capture the views and perceptions of wholesale traders.
- Despite an effort to seek out vendors of different age and gender demographic groups, all vendors included in this survey are male, likely reflective of the gender composition of vendors and shopkeepers in Bangladesh.

## COVERAGE MAP



## MARKET DYNAMICS

### Changes in market location

“Previously my shop was in the market area but recently we have been shifted to the playground of a nearby school. And we are facing lots of difficulties because of this change; we don't have as many customers as before.”

- Vendor from Teknaf

New changes have been introduced by the government<sup>4</sup> regarding market place locations in order to abide by social distancing measures. A few vendors in Kutubdia, Ukhiya, and Teknaf reported moving to non-market public areas (such as a school playground or a public beach), which has resulted in fewer customers coming to them. These measures may have affected traders who do not have a fixed shop in the market area or those selling small-scale grocery products. In Kutubdia, fish and vegetable traders have reportedly been asked to move to a place close to the beach. As a result, fresh produce is often sandy and dirty, especially when storms come through. Fresh foods in the open area are also exposed to direct sunlight, causing them to dry out very quickly. The direct sunlight is also impacting

the traders themselves, who are being exposed to harsher conditions and are reporting noticing that they become tired more quickly than before. The interviews were conducted prior to the start of Ramadan, raising potential concerns of vendor wellbeing if this practice persists through May, during which many vendors and customers may be fasting. The traders also reported facing extra hassles as they try to rebuild their shop, having to move lots of products from their old shop to the new one.

“In the upcoming days traders will face more health difficulties as Ramadan is coming up. It's too hot and dusty at this place now, we are worried how we can run our business like this. We may get sick”

- Vendor from Teknaf

“We are asked to shift to the new place near to a pond where already some fish vendors moved. [...] If the trading does not go well then we will keep it shut down”

- Vendor from Ukhiya

4. “Govt orders to shift village markets to open spaces”. The Business Standard. Published 12 April 2020.

## Changes in numbers of traders

Vendor KIs reported differing accounts on whether and how the composition of the market had changed in recent weeks. The respondent from Kutubdia believed the number of vendors had increased due to shifts in occupations. For example, people who used to drive tom-toms<sup>5</sup> or who are newly unemployed were reported to sell products using wheelbarrows, or were managing small tea stalls – perhaps indicating that daily-wage or casual labourers are still needing to manage an income during this time and do not have the means to stop working altogether. Vendors in Kutubdia and Teknaf estimated that the number of fresh vegetable vendors in the new market areas had increased from 10 to 25. However, other traders in Ukhiya, Moheshkhali, and Ramu reported that the number of traders had not changed because there are not enough customers in the market and there are restrictions on all kinds of shops, except for those selling essential products.

“The number [of traders] has not decreased. A few traders are staying at home and not running their stores because they have enough food. But we are helpless, we cannot do this as we don't have adequate amount of foods at home. The number has been decreased but only by two or five.”

- Vendor from Ukhiya

“In the area where we are currently running our business, there is a mix of new and old traders as the playground is quite big. This has increased competition.”

- Vendor from Teknaf

## Security concerns

“The presence of the police and army are the reason we feel safe and secure in the marketplace.”

- Vendor from Moheshkhali

Most of the respondents reported not having any security concerns. All participating vendors from six upazilas reported having a paid night guard in their market areas. Only one respondent mentioned that they are quite concerned that the crime rate may increase as the sudden loss of money may drive people to commit petty crimes.

“We are not facing any security problems; we are just a little bit concerned about incidents like stealing because many people have lost their income so they might start stealing”

- Vendor from Cox's Bazar Sadar

However, respondents expressed specific concerns related to the migration of Bangladeshis, with one respondent noting that they were more concerned about contracting the virus at the beginning of outbreak, especially when large numbers of Bangladeshis were returning from abroad,<sup>6</sup> while another respondent discussed the potential spread of the virus due to intra-regional movement within Bangladesh. Fears of the spread of the virus have led vendors to proactively introduce new informal practices such as purchasing one-time, disposable cups for tea instead of relying on existing cups and mugs.

Kutubdia is surrounded by beach so if all entry points were blocked before then COVID-19 would not affect this area and people would be able to lead their normal life. If people from other ghats (Chittagong, Mongla, Chakaria) were not allowed at that time we would be more safe”

- Vendor from Kutubdia

## CHANGES IN THE SUPPLY AND AVAILABILITY OF GOODS

The Food and Agriculture Organization (FAO) has conducted a [Rapid Assessment on the Potential Impact of COVID-19 on the Food and Agriculture System in Cox's Bazar](#), which provides analysis and insights on the anticipated effects on the local agricultural system and supply chain. Findings reported in this section reflect vendor-reported perspectives and expectations.

### Failure in harvesting crops

As the Bengali month of *Boisakh* was approaching at the time of data collection (roughly corresponding to mid-April to mid-May), boro<sup>7</sup> paddies were ready to be harvested across Bangladesh. A few traders who participated in the survey also owned land themselves, but were reportedly unable to harvest crops because it was perceived that farmers were not allowed travel to attend to crops due to the stay-at-home order. The country-wide transportation suspension has also led to a shortage of farmers and farmworkers. Traders are worried that crops may get withered or damaged. One respondent said that if crops were not harvested at the right time, there may be a deficiency of non-imported foods in the near future.

### Case study: supply chain disruption

Cox's Bazar District has two island upazilas - Moheshkhali and Kutubdia. While Moheshkhali has a handful of road or bridge access points, Kutubdia can only be accessed by boat.<sup>8,9</sup> The findings in this section may point to specific challenges and particularities related to the complex supply chain of vendors working on these island upazilas. One vendor reported that while he used to obtain products directly from a wholesaler on the mainland, groups of traders are now sending one representative to collect supplies for multiple traders due country-wide restrictions on movement. He reported suspecting that this middleman was charging extra fees from the traders, while also sending lower-quality goods. He also expressed the belief that these networks of middlemen were actually stockpiling goods in anticipation for higher prices during Ramadan. Cargo trawlers were another reported example of middlemen actors possibly benefitting during this time.

5. “Tom-tom” refers to (auto)rickshaws.

6. “152 more Bangladeshis return from Italy”. The Daily Star, 15 March 2020.

7. Boro rice is a Bengali terminology for winter rice.

8. [Administrative Map of Maheshkhali Upazila](#). ISCG 2017.

9. [Administrative Map of Kutubdia Upazila](#). ISCG 2017.



## Restocking and transportation concerns

"As a small vendor, I don't have any concerns about the restocking of market goods. I am getting items on-time as usual"  
- Vendor from Ramu

Restocking concerns sometimes seemed to depend on the location of the market area. Kutubdia and Moheshkhali are two islands in Cox's Bazar district that do not have any substantial warehouses, only space to store salt. As a result, traders in these areas reported being quite worried about restocking products. On the other hand, all vendors from Teknaf, Ramu, and Cox's Bazar stated they were not worried about getting more products as they have warehouses available in their area.

However, a few vendors expressed concerns that they will not be able to afford stocking more products, nor the associated transportation fees, even if products remained available. It has become quite difficult to bring goods from far places, requiring vendors to change several vans along the journey, further exacerbating the issue of increased transportation costs. Increased checkpoints or police stops were also frequently cited as a challenge to obtaining goods, as police and other authorities often monitor cargo vans and sometimes use physical force to discourage vendor movement.

"We are not able to get enough products because transportation is limited now. It is tough for us to get more product in a single day. We have to wait a long time to get more products"  
- Vendor from Moheshkhali

"Before I used to get goods from Cox's bazar, Ramu and Kutupalong but now it's not possible as I get stopped by police or army. We are just managing with fewer amount of products"  
- Vendor from Ukhiya

One respondent reported that a couple of large businessmen have already stocked lots of goods in preparation for the upcoming month of Ramadan. Concerns regarding stock levels were primarily focused on dry or non-perishable items, as fresh food vendors must restock daily no matter the circumstances, because otherwise their items spoil in warm weather.

"As Ramadan is coming we want to store more products but we cannot."  
- Vendor from Teknaf

"Last year at this time my shop was full with goods but this year it's almost empty. I have money but I am not allowed to move to other areas to bring more products"  
- Vendor from Ukhiya

## Availability of goods

According to vendor KIs, the COVID-19 related measures have had the largest impact on certain food items (e.g. rice, lentils, cooking oil, chickpeas) and sanitation items (e.g. soap, hand sanitizer, Dettol, hand washing liquids). Increased demand for cleaning items like shower or laundry soap and hand sanitizer has led to a shortage in goods, which are also not available in larger cities. Products like chickpeas, rice, cooking oil, salt, noodles/vermicelli, sugar, and spices are no longer abundant in the market. Vendors indicated that imported products are more affected than local products, but also mentioned minimal impact on seasonal food items, as there is an adequate number of fresh vegetables (e.g. spinach, tomatoes) A few respondents mentioned they wanted to stock more products for upcoming Ramadan but that restocking is not as easy as before as prices are fluctuating.

"I had 50 types of products now I have 10. I need to discard some of them if they expire. Tomorrow I have to move to a new place and the shop size is not big enough to keep all the products"  
- Vendor from Ukhiya

"Since (...) the lockdown started, few customers have asked for five hand sanitizers together, as a result we cannot sell them to other people. Since the lockdown started in Bangladesh we have noticed such changes."  
- Vendor from Cox's Bazar Sadar

Most of the respondents stated that they want to keep good quality products as they think people have been more conscious of getting good quality products due to the pandemic. However, all but one respondent stated that the quality of products has degraded as compared to before the pandemic, reportedly because many goods are being produced within a more limited timeframe. One of the respondents said they usually buy goods on credit from the wholesale traders and pay them back once all the products are sold, but sometimes, if they are not able to pay back the loan quickly, wholesale traders are hesitant to provide additional products.

## Increased prices

"One sack of rice which was 1,600 [takas] before now sells for 2,300 [takas]"  
- Vendor from Kutubdia

As the COVID-19 outbreak continues, vendors reported that prices had sometimes doubled for staple goods like rice, chickpeas, and flattened rice. This supports findings from the WFP VAM [Market Monitor from April 2020](#), which shows vendor-reported median prices for one kilogram of rice being 50 Bangladeshi Taka (BDT) in recent weeks – a marked increase from the 35 BDT reported between December 2019 through mid-March 2020.<sup>10</sup> The most likely factors behind the price hikes include a lack of available transport and supply disruption. Traders reported expectations that prices would increase further if the lockdown were to continue, coupled with expectations of additional price increases reflective of annual trends in Bangladesh during Ramadan.<sup>11</sup>

10. WFP VAM Market Monitor. April 2020. [https://fscluster.org/sites/default/files/documents/market\\_monitor\\_update\\_3042020\\_final.pdf](https://fscluster.org/sites/default/files/documents/market_monitor_update_3042020_final.pdf)  
11. "Prices of Ramadan commodities on rise". Dhaka Tribune, 27 April 2020.

## VENDOR PERCEPTIONS ON CHANGING CUSTOMER DEMAND

### Reduction of customers

The economic disruption instigated by COVID-19 threatens millions of livelihoods in Bangladesh. As a result of the significant impact on the livelihood of workers, many people have lost their jobs and income. Though all vendors participating in this survey were those who have been able to maintain their own businesses, they reported being anxious about the plight of people around them, as their loss of income directly impacts consumption. Most of the respondents reported that they do not have as many customers as before. In addition, respondents reported that social distancing measures have led to direct loss of customers due to increased waiting times or slower services, with an overall negative impact on their income.

"Sometime when three customers come together to my shop, and I suggest that they keep distance and wait, one of the customers goes to another shop instead. So we lose customers."

- Vendor from Cox's Bazar Sadar

### Changes in demand

"I have seen that people have common tendency to stock goods like rice, oil, hand sanitizer, soap, medicine, and basic items that they need in daily life"

- Vendor from Moheshkhali

Changes in demand in assessed markets generally reflected global trends showing mixed patterns in demand depending on the type of item. Products that can be stored for longer periods of time are in high demand. In addition to the annual increase of demand for goods such as rice, spices, cooking oil, and chickpeas related to the month of Ramadan, baby products and medicine have also seen a rise in demand. One respondent said he noticed that elderly have been buying goods to last them many days at a time, while younger customers come daily.

Poultry items, beef, cold drinks, and other items requiring refrigeration were examples of items that have reportedly seen a decrease in demand since the virus outbreak. Vendors commonly attributed this decrease directly to community beliefs that consumption of these items would lead people to contract the virus and to subsequently spread it to others. However, some vendors reported an increased demand for fish and vegetables, reportedly due to community-held beliefs that their consumption might help to prevent COVID-19 infection.

"People think that fish and vegetables can prevent coronavirus. This kind of belief spreads from one to another."

- Vendor from Teknaf

"Demand for chicken, cold drinks, and fridge items has reduced. People are careful to boil raw foods very well before eating."

- Vendor from Teknaf

"People are avoiding certain items for fear of spreading COVID-19; mainly items related to dairy or poultry farms. Chicken and beef are selling less, unlike fish. Fish is in high demand."

- Vendor from Moheshkhali

## IMPACTS AND EXPECTATIONS FOR THE FUTURE

### Impact on trader income

"The income has declined drastically. Now we are not earning even one-fourth of our previous income"

- Vendor from Teknaf

While the impact of the increased restrictions was multi-faceted and dependent on the type of goods sold by each vendor, traders' incomes across the board were reported to have been negatively affected since the lockdown started. Most of the respondents reported that loss of peak-time sales is the main reason their income has decreased. As part of Bangladesh's nationwide curfew, all shops except for pharmacies must close by 6:00 p.m.<sup>12</sup> Other reported reasons behind the loss of income are insufficient supplies, lack of customers in the market, costly transportation, and the wastage of fresh foods. While those vendors selling daily necessity products may be able to maintain a somewhat regular customer base despite the complications they face, vendors who primarily sell other kinds of products (e.g. cosmetics, clothing, or jewellery) are not able to keep their shops open and are reportedly facing significant financial problems. Two respondents from Teknaf expressed gratitude that they were not suffering as much in comparison to other vendors, as grocery traders and pharmacies have been excluded from the complete shutdown strategy.

"I am suffering. Each trader in the market is now facing a 50 to 60 thousand [BDT] loss. I have not heard of anyone making a profit."

- Vendor from Ukhiya

Nevertheless, except for a few, most respondents did not report resorting to any coping mechanisms during this current situation, and reported desires of returning to normal conditions as soon as possible. Those who did report engaging in coping mechanisms mentioned a few behaviours, such as increasing the prices of certain products, or hanging their contact number in front of the shop to enable customers to call them were they to need additional (emergency) products.

"Traders' income has declined. After 6:00 pm we used to sell lots of products but now we cannot do this. Prior to Corona outbreak I sold 20,000 taka per day but now it is down to 7,000 - 8,000 taka"

- Vendor from Teknaf

"It depends on Allah. Allah Is arranging income for us. We are not being able to earn money as expected for last one month"

- Vendor from Teknaf

12. "Strategies to prepare for Covid-19 patient surge". Dhaka Tribune, 20 April 2020.

Further compounding the concerns regarding reduced incomes, vendor KIs indicated a noticeable increase in customers regularly asking for products on credit, perhaps due to reductions in customers' income and purchasing capacity. For instance, vendors from Teknaf and Ramu reported large numbers of families in their communities who are dependent on remittances from migrant family members working abroad, especially in the Middle East. A lack of job opportunities as a result of the precautions taken in the respective countries in the Middle East has reportedly had cascading effects on their family members in Cox's Bazar.

"Since the corona outbreak I have sold 50,000 taka of products on loan to different customers. Like some regular customers are requesting me to give them items using loan"

- Vendor from Ukhiya

"I have sold products on credit to more than a hundred customers. Most of them are not receiving money from immigrants abroad. Nothing I can do"

- Vendor from Ukhiya

## Expectations for the future

"This is decision of the government. Although people are against it, I think [the restrictions] will extend, which is good for the nation's interest"

- Vendor from Teknaf

As the COVID-19 outbreak continues, most of the vendors reported there is no possibility of avoiding the lockdown at this moment; instead citing expectations that the government would increase the lockdown duration.

In response to strict lockdown measures in a couple of villages where individuals have tested positive for COVID-19, vendors in Teknaf reported expectations that harsher measures may be taken by the government. The vendors worry that shops might be forced to fully close if people are tested positive for COVID-19. While many vendors expressed uncertainty regarding the anticipated timeline (with most deferring to government or religious powers), vendors who provided an estimated timeframe anticipated that the situation would not normalize before June or July.

'Allah is the owner of the corona outbreak. The virus does not spare even the most powerful. How it goes in the upcoming days is completely dependent on Allah's decision'

- Vendor from Teknaf

### About REACH's COVID-19 response

As an initiative deployed in many vulnerable and crisis-affected countries, REACH is deeply concerned by the devastating impact the COVID-19 pandemic may have on the millions of affected people we seek to serve. REACH is currently working with Cash Working Groups and partners to scale up its programming in response to this pandemic, with the goal of identifying practical ways to inform humanitarian responses in the countries where we operate. COVID-19-relevant market monitoring and market assessments are a key area where REACH aims to leverage its existing expertise to help humanitarian actors understand the impact of changing restrictions on markets and trade. Updates regarding REACH's response to COVID-19 can be found in a [devoted thread](#) on the REACH website. Contact [geneva@impact-initiatives.org](mailto:geneva@impact-initiatives.org) for further information.