

Cash Consortium for Iraq

Brief: COVID-19 Impacts on Prices and Markets

INTRODUCTION

This brief analyses two parallel and ongoing streams of data collection conducted by the Cash Consortium for Iraq (CCI) to monitor COVID-19 impacts on prices, markets, and household-level consumption to understand the following:

- Overall impact of COVID-19 and associated restrictions on the market system and access to goods across Iraq
- Potential points of critical hardship which may have long-lasting effects on households (spikes)
- Specific geographic areas that are more affected than others

The analysis is drawn from the **CCI Enhanced Frequency Price Monitoring (EFPM)**, as well as the **CCI Beneficiary Market Perspectives Survey (BeneMark)**.¹ The EFPM is a weekly survey of the prices and availability of a variety of food and non-food items from shops across 25 districts in 10 governorates that started on 12 March. The BeneMark is a weekly survey of perspectives on prices, availability of goods and household activities of vulnerable households across 16 districts in 5 governorates that started on 30 March. The analysis in this brief is based on data up to and including the 4 June (EFPM) and the 15 June (BeneMark). The analysis in this brief is only inclusive of primary source data.

METHODOLOGY

CCI Enhanced Frequency Price Monitoring (EFPM)

150-200 shops | 10 Governorates | Weekly | 15 Mar - 4 Jun | Total = 2704

At the onset of the COVID-19 pandemic, the CCI initiated a heightened frequency of price monitoring. The Enhanced Frequency Price Monitoring (EFPM) draws upon the standard Joint Price Monitoring Initiative (JPMI), which is conducted every two months across Cash Working Group partners with analysis supported by the REACH Initiative. CCI partners determined that due to the level of disruption anticipated in markets across Iraq, status of shops and prices should be reviewed on a more regular basis to understand the level of fluctuation and impacts across the country. EFPM includes data on prices of key food and non-food commodities, dynamics related to stocking and supply chains, and whether shops have made any changes to adapt their operations in light of COVID-19. The survey is intended to produce indicative results. The sample includes approximately 200 shops across 10 governorates. For nine weeks CCI partners conducted EFPM on a weekly basis. As of mid-May, data collection has been scaled back to every two weeks. For the purposes of analysis, the data is compared to a pre-COVID-19 baseline collected in January, for which only 5 governorates (Anbar, Diyala, Kirkuk, Ninewa and Salah al Din) are covered.

CCI Beneficiary Market Perspectives Survey (BeneMark)

160 households | 5 Governorates | Weekly | 30 Mar - 15 Jun | Total = 1786

The BeneMark is a household survey introduced to complement the price monitoring conducted with market actors to better understand the perspective of vulnerable households in relation to their own consumption behaviors and experiences of changing market dynamics due to COVID-19. The BeneMark includes data on whether local shops are open, perceptions of price changes and shortages of key commodities, priority goods, as well as the household's ability to work and to meet basic needs. The survey provides a repeated cross-section of the district areas and intends to provide indicative results of changes to vulnerable households in light of COVID-19 related policy changes. It is conducted across 5 governorates with 10 households from each of the 16 districts that CCI partners currently cover.

¹ Weekly outputs produced for this survey can be found [here](#).

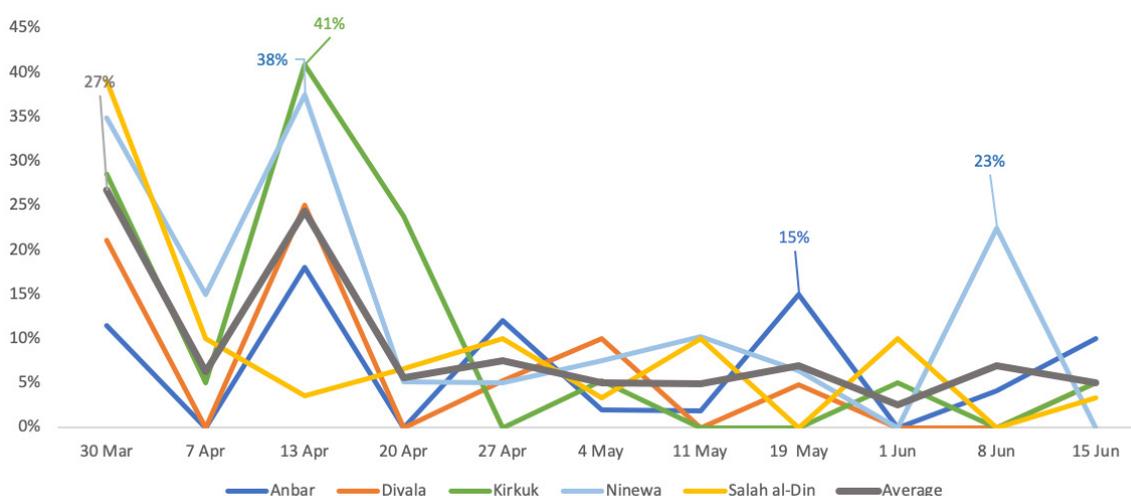
LIMITATIONS

The number of interviews conducted for the EFPM varies week on week and by location. Data is only considered in the analysis if there are a minimum of two data points (prices) for an item per week per governorate. The average number of data points per item per week per governorate is 23. The Benemark survey is a repeated cross-section of the districts and not longitudinal. The risks of attrition and assessment fatigue of participants during this difficult period were considered to outweigh the value of collecting panel data for this exercise. The selection of households was stratified by district and selected randomly. Both EFPM and BeneMark are conducted over the phone due to the COVID-19 movement restrictions and social distancing considerations. Findings should be considered indicative only.

SHOP CLOSURES

Over the last 13 weeks of lockdowns as a result of COVID-19, the access of consumers to shops as well as access of shops to wholesalers and other suppliers has been interrupted. Despite directives on movement being largely taken on the national or governorate level, the implementation of those directives varies even within districts. Graph 1 shows the proportion of households week on week that were reporting their local grocery shop to be closed. It is important to note that when their local shop was reported shut, they often were able to access a secondary market. Across governorates, around a quarter of local shops were closed due to the curfew in March and early April, reaching highs of 41 per cent and 38 per cent in Kirkuk and Ninewa respectively. While by the end of April the average across governorates stabilises at around 5 per cent, Ninewa and Anbar experience spikes of 15 and 23 per cent later in June.

Graph 1. Proportion (%) of HHs Reporting Shop Closed, per governorate



Source: BeneMark

THE COMMON BASKET AND THE PRIORITY ITEMS

For this analysis there are two groupings of items. The **Common Basket**² is a group of 13 food and non-food items as defined within the Survival Minimum Expenditure Basket,³ but with a reduced selection of items to ensure adequate data coverage for each. The purpose of this grouping is to enable inter-governorate comparison of price changes as they impact the aggregated and weighted Common Basket, and thus how they impact the household. The **Priority Items**⁴ are the top ten items that have been purchased by households since the beginning of data collection, every item was purchased by at least 50 per cent of households interviewed and are consistent across governorates. The purpose of using this group of items is to focus on the impact of price changes and shortages on items that are frequently sought after. In order to be sensitive to spikes in prices, the analysis takes the mean prices per week per governorate.

² Lentils, Rice, Salt, Sugar, Vegetable Oil, Wheat Flour, Soap, Toothbrushes, Detergent, Shampoo, Toothpaste, Sanitary Napkins.

³ The Survival Minimum Expenditure Basket (SMEB) is a tool used to identify and quantify the commodities and services required to meet basic needs on a monthly basis. It is set by the Cash Working Group in coordination with clusters on areas such as Food Security and WASH, as relevant.

⁴ Vegetable Oil, Detergent, Rice, Soap, Disinfectant Solution, Sugar, Salt, Wheat Flour, Lentils, Shampoo.

PRICE FLUCTUATIONS

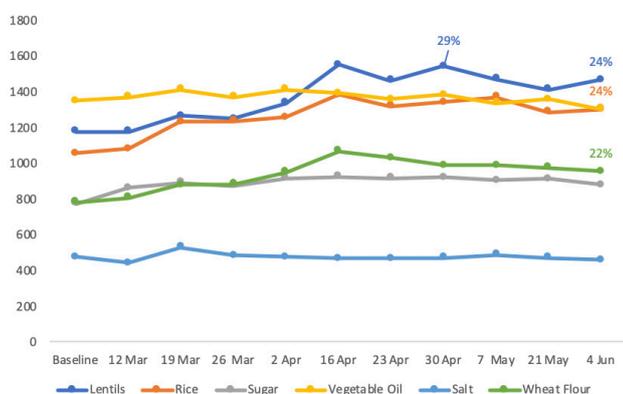
Per Item

Most Priority Items have increased in price as compared to pre-COVID levels,⁵ which will negatively impact households' purchasing power as it relates to these items. As shown in Table 1, rice, wheat flour and lentils experienced the highest average price change⁶ of 24, 23 and 18 per cent respectively. Prices for these same items have remained elevated through the end of the latest data collection period in June, with lentils and rice at 24 per cent higher than pre-COVID prices and wheat flour at 22 per cent higher. Dramatic spikes in prices could have lasting, negative effects on consumption. As shown in Graph 2, the average prices of rice, wheat flour and lentils spiked to 44, 43 and 29 per cent respectively in certain weeks across governorates (9 April and 30 April). When comparing average price per item each week in each governorate, certain items such as salt, wheat flour, shampoo and rice all spiked by more than 100 per cent compared to pre-COVID prices in that governorate. Certain non-food items that are prioritised by households currently have also experienced price fluctuations, with shampoo, disinfectant solution and detergent spiking to 26, 20 and 18 per cent higher than pre-COVID prices in certain weeks.

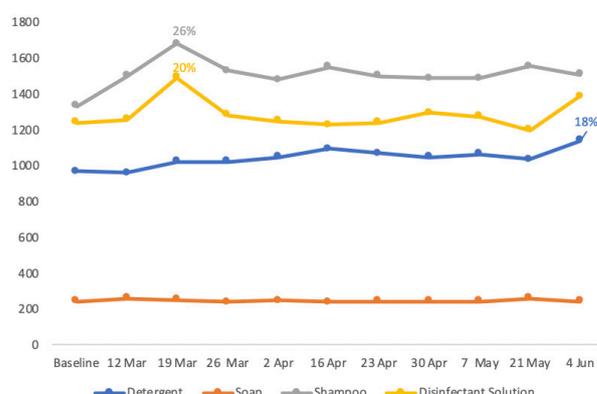
Table 1. Percentage Change of Price (IQD) Compared to January (Pre-COVID) Baseline, per item

Items	Baseline Price (JPMI Jan)	Endline Price (EFPM Jun)	Average Price (EFPM 11 Week)	Spike Price (EFPM 11 Week)	Average % Price Change	Spike % Change (Governorate)	
Lentils	1,177	1,469	1,403	1,750	18%	46%	Kirkuk, 16, 23, 30 April
Rice	1,055	1,306	1,304	1,450	24%	107%	Salah al-Din, 19 Mar
Sugar	774	880	903	1,039	17%	54%	Diyala, 16 Apr
Vegetable Oil	1,352	1,304	1,373	1,438	2%	23%	Salah al-Din, 30 Apr
Salt	477	461	477	686	0%	440%	Diyala, 19 Mar
Wheat Flour	784	957	968	1,542	23%	114%	Salah al-Din, 2 Apr
Detergent	968	1,139	1,057	1,250	9%	67%	Kirkuk, 4 Jun
Soap	245	244	248	280	1%	28%	Salah al-Din, 19 Mar
Shampoo	1,333	1,511	1,532	1,977	15%	111%	Diyala, 19 Mar
Disinfectant Solution	1,241	1,389	1,289	1,167	4%	47%	Salah al-Din, 2 Apr

Graph 2. Prices of Food Items, per week



Graph 3. Price of Non-Food Items, per week



Source: EFPM

Note that price spikes are marked with the percentage change from pre-COVID baseline changes in Graph 2 and 3.

5 For more detail on seasonal price fluctuations, consult the CWG/REACH paper '[Impact of COVID-19 on Markets and Prices](#)'.

6 The average per cent change between the January price and the price each week across governorates.

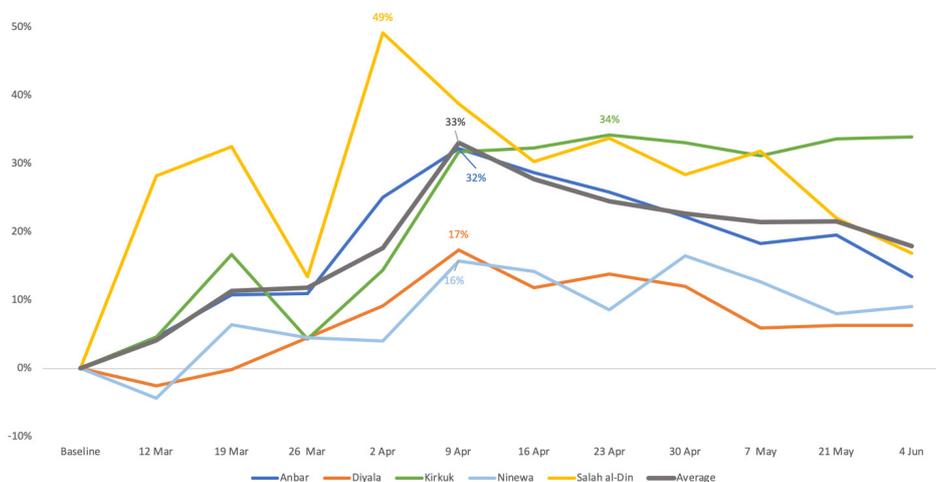
Per Governorate

In order to assess the effects of price fluctuations per location, the analysis will rely on the weighted Common Basket to understand how price fluctuations of necessary items may impact locations differently. On average across governorates, the price of the Common Basket was at its highest at the beginning of April at 33 per cent higher than pre-COVID price. As per Table 2, per governorate, the highest average price change was experienced by Salah al Din, Kirkuk and Anbar with the common basket price 30, 25 and 19 per cent higher than pre-COVID respectively. Even more than in individual items, a spike in the price of the common basket of necessary items can have lasting impacts on households' ability to meet basic needs. The largest spike was felt in Salah al-Din in the week of 2-Apr when it was 49 per cent higher than pre-COVID. Large spikes were also felt in Kirkuk and Anbar of 34 and 32 per cent respectively and Diyala and Ninewa with 17 and 16 per cent respectively.

Table 2. Percentage Change of Price (IQD Common Basket) Compared to January (Pre-COVID) Baseline, per governorate

Governorate	Baseline	Endline	Average	Average Change	Spike
Anbar	85,961	97,502	102,496	19%	32%
Diyala	84,358	89,729	90,850	8%	17%
Kirkuk	70,266	94,125	87,516	25%	34%
Ninawa	78,825	85,996	85,668	9%	16%
Salah Al Din	68,735	80,342	89,057	30%	49%

Graph 4. Percentage Change of Price (Common Basket) Compared to January (Pre-COVID) Baseline



Source: EFPM

SHORTAGES

Per Item

The disruptions to the market also caused shortages for retailers, as assessed by the price monitoring survey (EFPM), and experienced by consumers (BeneMark). As per Table 3, shortages were reported in all priority items to varying degrees. From the consumer perspective, more than 10 per cent of households reported shortages in disinfectant solution, detergent, lentils, rice, vegetable oil, wheat flour and sugar. From the retailer perspective, more than 10 per cent of shops reported shortages in disinfectant solution, lentils, wheat flour and rice. As per the third and fourth columns of Table 3, the shortages experienced by the consumers and quite closely reflected by the shortages experienced by the retailers as assessed by the two surveys.

Table 3. Proportion (%) of Consumers and Retailers Reporting Shortages, per item

Item	BenMark %	Percentage Point Difference	Rank Difference	EFPM %
Disinfectant Solution	23%	7%	0	17%
Detergent	15%	10%	-5	5%
Lentils	14%	2%	1	12%
Rice	14%	4%	0	10%
Veg Oil	13%	3%	0	9%
Wheat Flour	12%	0%	3	12%
Sugar	10%	2%	1	8%
Soap	9%	5%	0	4%
Salt	6%	3%	-1	3%
Shampoo	6%	2%	1	4%

Per Governorate

Shortages, like price fluctuations, were experienced in different ways in different geographic areas. Table 4 shows the average number of items experiencing shortages per governorate among households interviewed and Table 5 shows the same for shopkeepers. As both tables show, the items reported experiencing shortages are largely the same across governorates. Table 4 shows that the proportion of households experiencing shortages per item is fairly similar across governorates, with marginally higher shortages reported in Kirkuk, Anbar and Ninewa than in Diyala and Salah al Din. Table 5 shows that for shopkeepers the rates of shortages reported varied significantly and were much higher in certain areas, such as Kirkuk, than in others, such as Salah al Din.

Table 4. Top 5 Items (% of consumers) with Shortages, per Governorate

Anbar	Diyala	Kirkuk	Ninewa	Salah al-Din
22% Disinfectant Solution	23% Disinfectant Solution	25% Disinfectant Solution	21% Disinfectant Solution	20% Disinfectant Solution
15% Detergent	14% Wheat Flour	18% Veg Oil	18% Detergent	12% Detergent
14% Lentils	10% Rice	17% Rice	17% Rice	11% Lentils
13% Veg Oil	10% Veg Oil	16% Detergent	16% Lentils	8% Sugar
12% Rice	7% Sugar	15% Soap	15% Veg Oil	7% Rice

Table 5. Top 5 Items (% of retailers) with Shortages, per Governorate

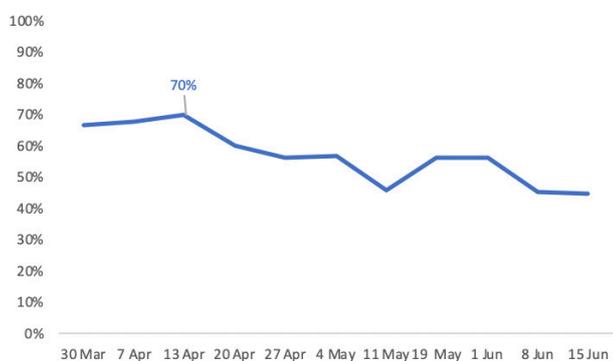
Anbar	Diyala	Kirkuk	Ninewa	Salah al-Din
13% Lentils	36% Disinfectant Solution	53% Sugar	11% Veg Oil	12% Disinfectant Solution
8% Wheat Flour	17% Wheat Flour	48% Disinfectant Solution	11% Lentils	7% Rice
7% Disinfectant Solution	11% Rice	40% Veg Oil	10% Rice	6% Shampoo
6% Rice	10% Lentils	35% Lentils	10% Disinfectant Solution	5% Lentils
5% Veg Oil	5% Sugar	33% Rice	10% Wheat Flour	4% Detergent

ABILITY TO MEET BASIC NEEDS

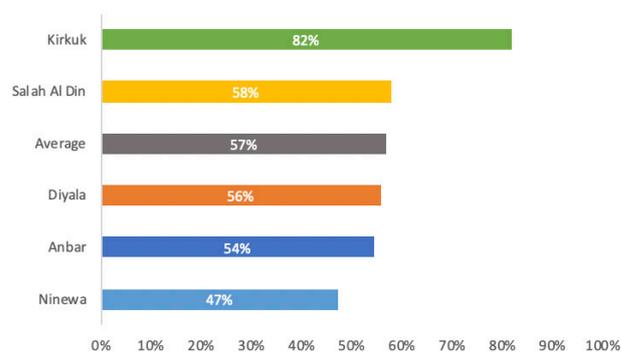
Per Week

The COVID-19 pandemic and related lockdowns have affected the ability of households to meet their basic needs primarily due to the movement restrictions and lack of income. Graph 5 shows the proportion of households who report not being able to meet their basic needs on a week by week basis, with a peak of 70 per cent of households reporting inability to meet basic needs towards the beginning of April. Graph 6 shows the variation between governorates with Kirkuk suffering a significantly higher rate (82 per cent) than the average (57 per cent).

Graph 5. Proportion (%) of HHs Unable to Meet Basic Needs



Graph 6. Proportion (%) of HHs Reporting Unable to Meet Basic Needs, All Weeks



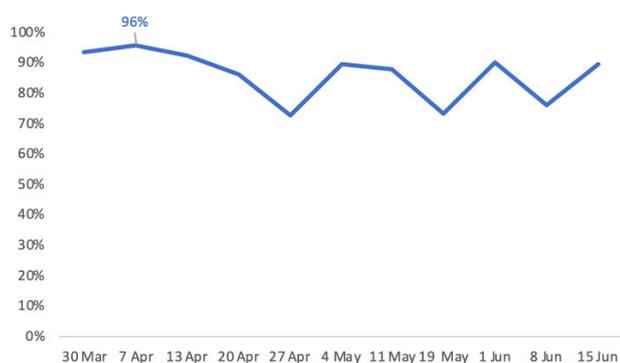
Source: BeneMark

ABILITY TO WORK

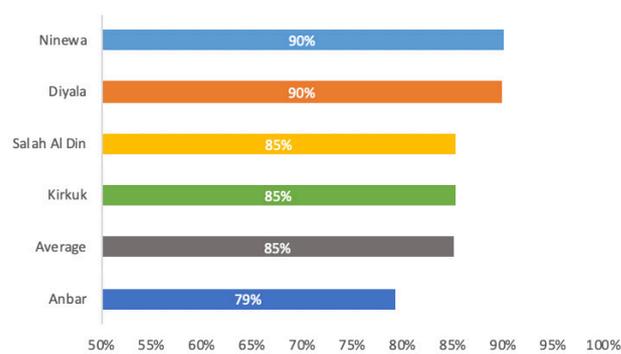
Per Week

The COVID-19 pandemic and related lockdowns have restricted the capacity of household members' ability to work and earn income. Graph 7 shows a week by week breakdown of proportion of households reporting an inability to work. The most commonly cited reasons being movement restrictions and lockdown related business disruptions. The data shows no substantial variation between governorates, as is shown in Graph 8. The ILO-CCI Labour Market Assessment sheds more light on the obstacles faced by workers, identifying the particular roots of the disruption of labour and the nature of its suspension.⁷

Graph 7. Proportion (%) of HHs Unable to Work



Graph 8. Proportion (%) of HHs Reporting Members are Unable to Work, All Weeks



Source: BeneMark

⁷ The ILO-CCI Labour Market Assessment report can be found [here](#).

CONCLUSION

The results of these two ongoing surveys display that the COVID-19 crisis has caused severe disruptions to prices and markets in Iraq that are experienced by both retailers and consumers. The significant price increases and shortages across essential items paired with constraints on the ability of households to continue working and meeting their basic needs will impact the most vulnerable the hardest.

Points of critical hardship were focused in the month of April, although conditions remained disrupted in June.

The disruption seems to have affected all five governorates, albeit to different degrees and in different ways.

The CCI will continue its monitoring efforts in coming months to understand broader trends and further COVID-19 impacts on vulnerable households across the country.

CONTACT

Virginia Leape
CCI Research & Advocacy Coordinator
vleape@oxfam.org.uk

Gabrielle Fox
CCI Director
gfox@mercycorps.org

About the Cash Consortium for Iraq

The CCI is a mature multi-donor, multi-program partnership that has managed over \$160,000,000 USD in humanitarian and recovery funding since its formation in 2015.

The CCI is comprised of the Danish Refugee Council, the International Rescue Committee, the Norwegian Refugee Council, Oxfam, and Mercy Corps as lead.

The CCI focus is on harmonized implementation at scale to meet basic needs and support the self-reliance of vulnerable populations with cash- and market-based approaches.