

Emergency Market Mapping & Analysis (EMMA)



Corrugated Galvanised Iron Sheeting Market
Eastern Samar

Nupur Kukrety

January 24th – 28th 2014

Background

Typhoon Haiyan (known locally as Yolanda) made landfall on the 8th of Nov'13 and left a trail of destruction along its path.

In Eastern Samar province alone, 61,741 houses were damaged*.



* Shelter cluster report, 26th Jan'14

Critical Market Selection

The Corrugated Galvanised Iron (CGI) sheet market system was chosen for the EMMA because:

- CGI sheet is a common roofing material in the Philippines
- It is considered a sturdy alternative to Nipa leaves and will help in building the resilience of communities to future shocks
- CGI sheeting is recommended by the shelter cluster as one of the materials for shelter reconstruction in the area.

Target Group chosen:

Low income households living in coastal areas were identified as the target group for the purpose of this EMMA exercise.

Key Analytical Questions:

Can the local market meet the need for CGI sheets for roofing for the affected population in Eastern Samar?

If No, what are the constraints?

If yes, Can low income household access (physical and economic) CGI sheets from the local market?

Data collection:

Data was collected using key informant interviews and focus group discussions with the following target groups:

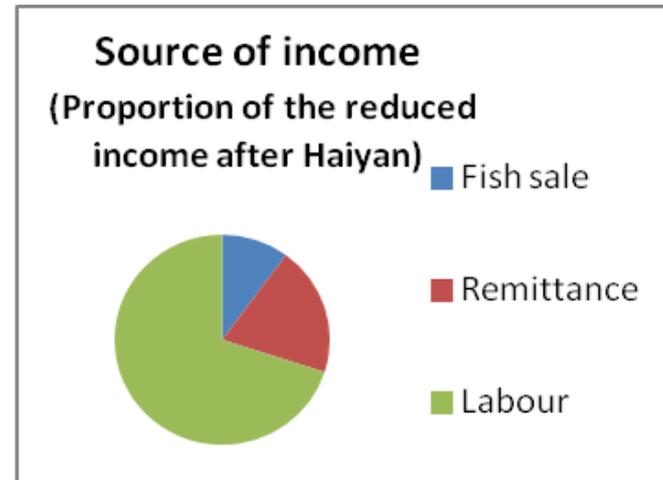
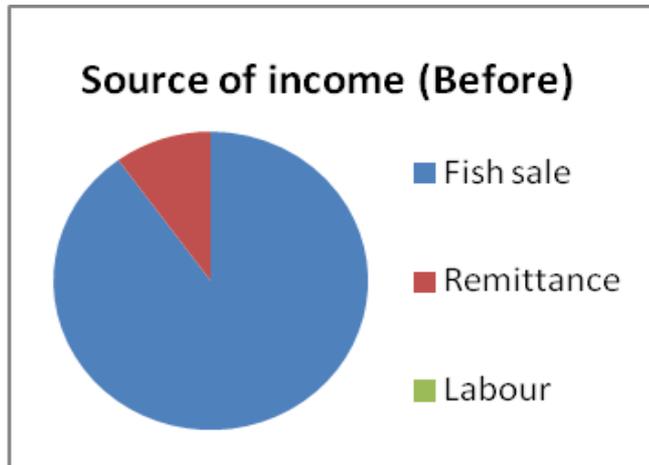
- **Low income households in coastal areas**
- **Small – Medium Hardware Stores/CGI Retailers**
- **Large scale wholesalers / Distributers**
- **Junkshop/Scrap metal traders**
- **Transportation / Trucking Companies**
- **Philippines Port Authorities**

Data was collected in the following locations:

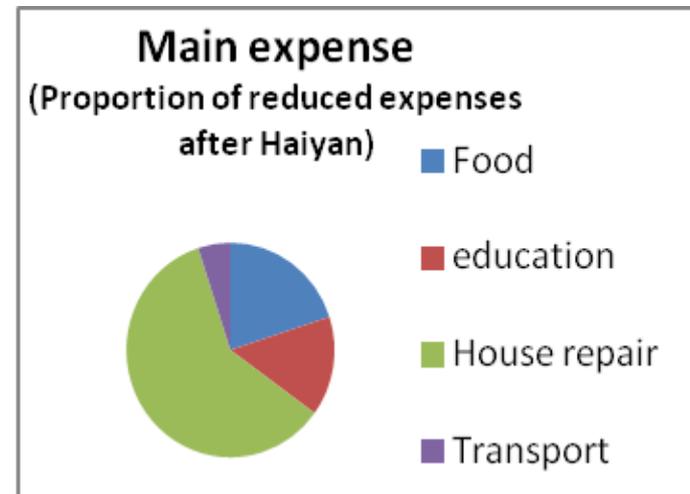
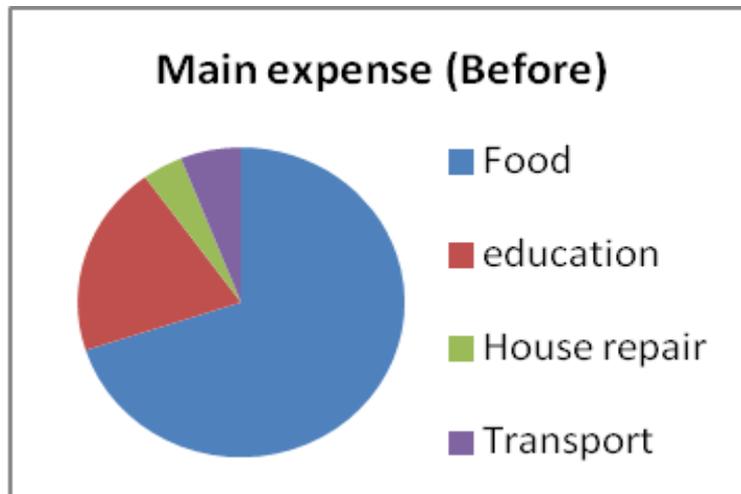
- **Guiuan**
- **Lawaan**
- **Borongan**
- **Salcedo**
- **Girporlos**
- **Tacloban**



Sources of income before and after Yolanda



Household Expenditure before and after Yolanda

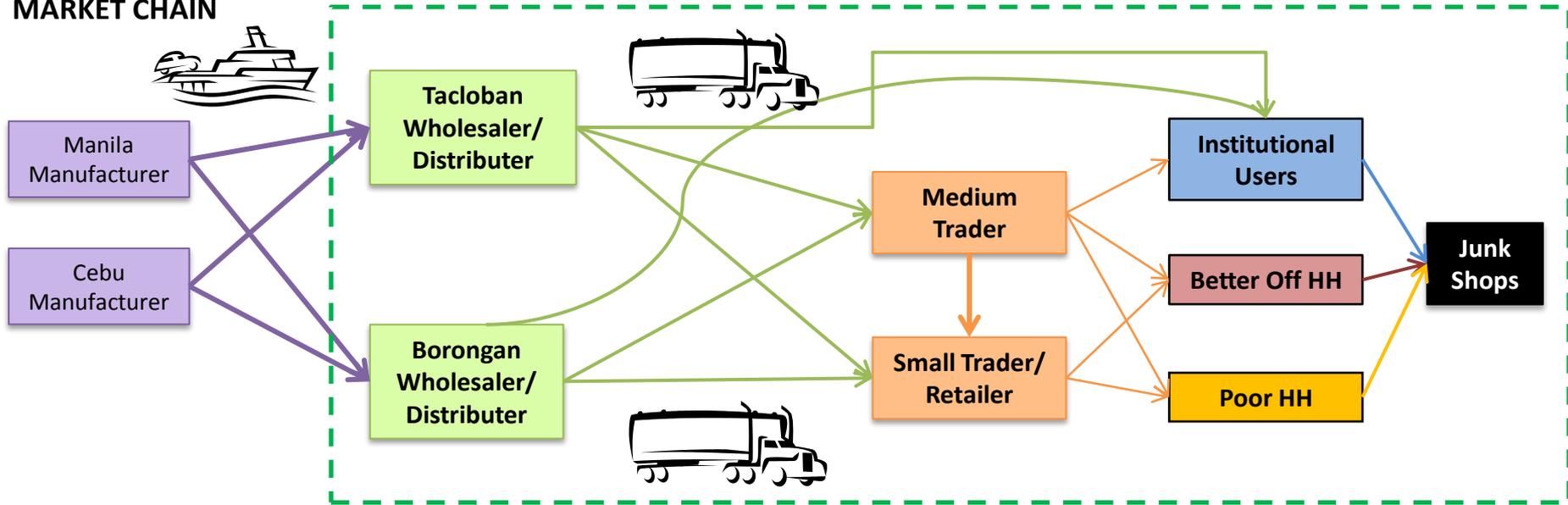


CGI SHEET MARKET SYSTEM BASELINE – BEFORE YOLANDA

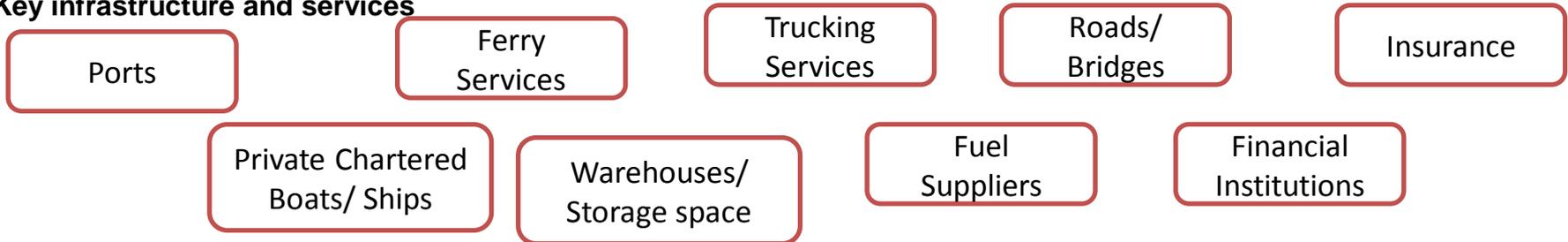
Market environment: Institutions, laws, norms, trends



MARKET CHAIN

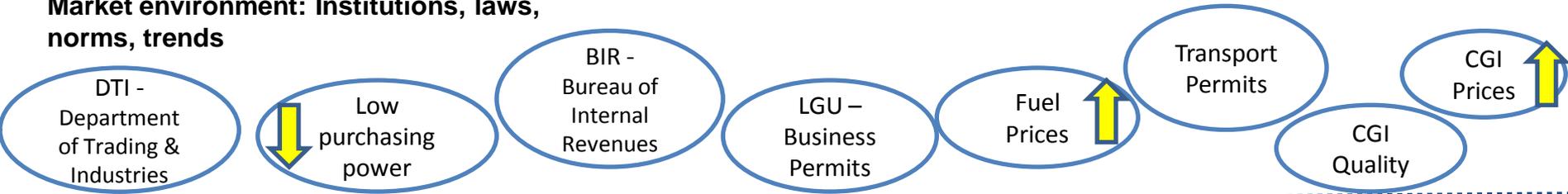


Key infrastructure and services

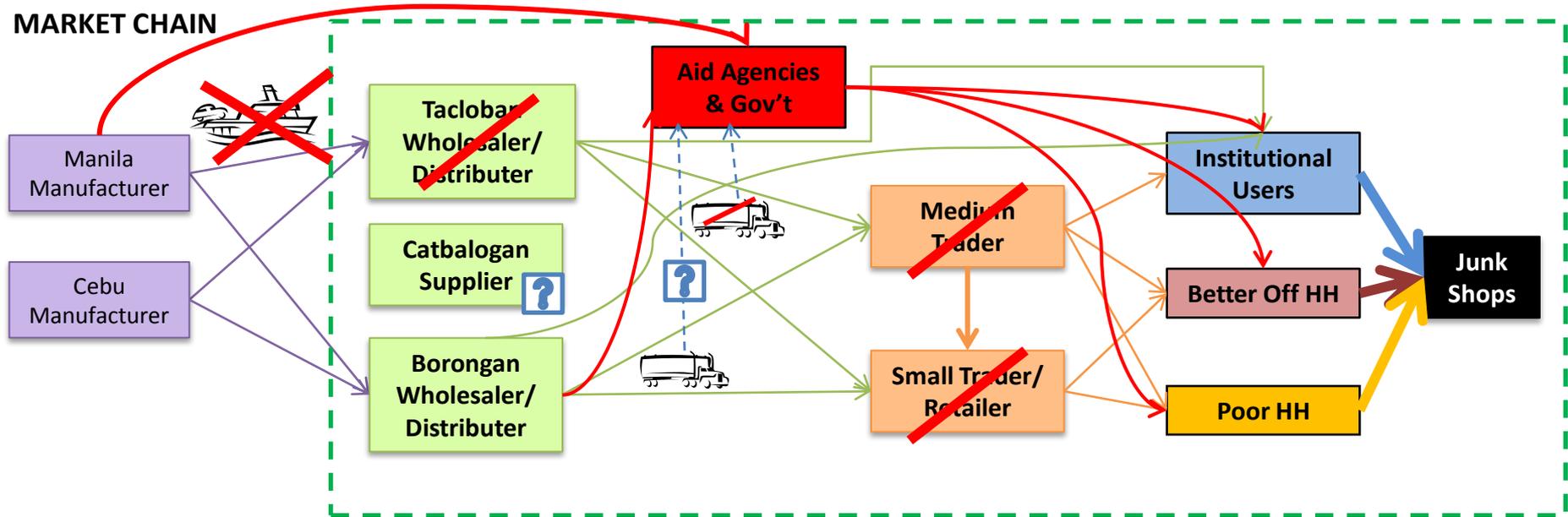


CGI SHEET MARKET SYSTEM – AFTER YOLANDA

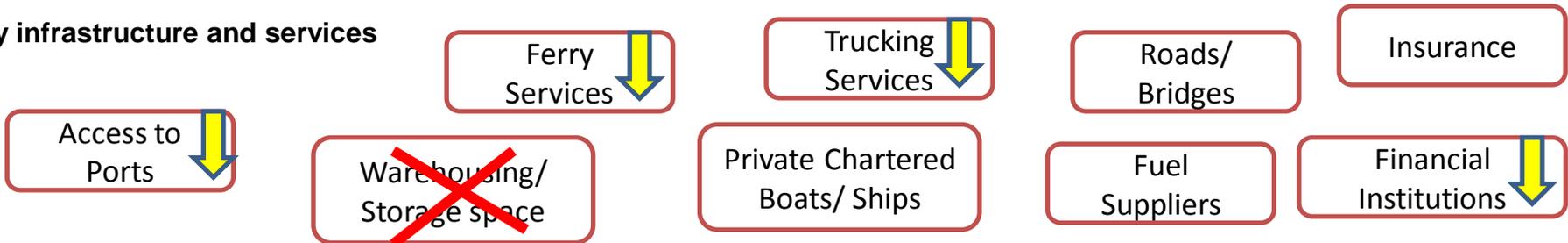
Market environment: Institutions, laws, norms, trends



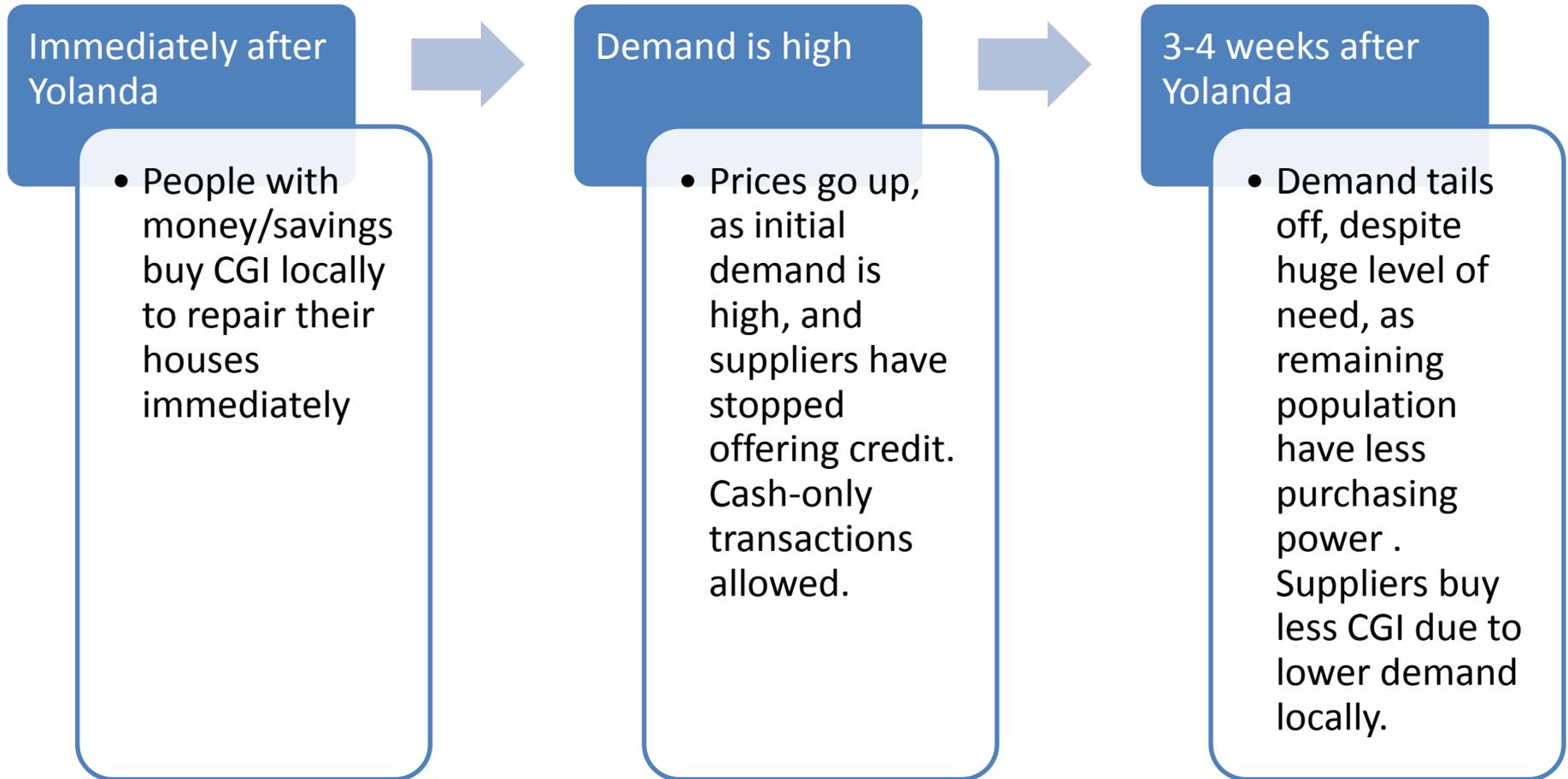
MARKET CHAIN



Key infrastructure and services



Key Findings – what happened in the local markets



Key Findings

The CGI market system in Eastern Samar currently faces three key constraints:

1. Reduced capacity of the Tacloban port combined with the unplanned/unannounced arrival of relief goods that creates a disincentive for the resumption of commercial activity via Tacloban port.
2. Disruption of transport system (mainly trucking) for delivery of hardware material within Eastern Samar, including impact of NGOs creating a temporary shortage of trucks and driving up prices.
3. Low purchasing power among the affected population (e.g. 50% reduction in incomes for households in the fishing livelihood zone)

Key Findings

1. Reduced capacity of the Tacloban port combined with the unplanned/unannounced arrival of relief goods that creates a disincentive for the resumption of commercial activity via Tacloban port.

Typhoon Yolanda damaged the Tacloban port and infrastructure that supports import of goods into the Visayas from Manila and Cebu. The wholesalers/supplier in Tacloban were severely affected in terms of loss of stock, infrastructure and disruption of fresh supply.

The Tacloban port was functioning at 20% capacity 3 days after Yolanda, and is still functioning at 20% capacity, now so shipping of commercial goods has resumed. However, unplanned delivery of relief material at the port often creates a situation whereby commercial shipment has to wait until the relief material has been offloaded . During this waiting period, the wholesaler/supplier is charged berthing fees on a daily basis by the port authorities. This can be a discouragement for businesses that are trying to recover from the aftermath of Yolanda.

While the number of berths at the port were not affected by Yolanda, the storage space and equipment for offloading was severely damaged, (lack of forklifts for unloading and warehouse space etc), causing delays.

Key Findings

2. **Disruption of transport system (mainly trucking) for delivery of hardware material within Eastern Samar, including impact of NGOs creating a temporary shortage of trucks and driving up prices.**

Relief agencies emerged as a new actor in the CGI market chain after the typhoon. Mostly via in-kind support. CGI sheets are procured either in Manila or through order from large suppliers in Borongan and Tacloban. This strengthens the monopoly of the wholesalers/suppliers in the market system and misses the opportunity to introduce competition for them by supporting trade with the small/ medium retailers.

Trucks are an important part of the hardware business for transporting the commodities from suppliers to consumers. Almost all the hardware traders owned trucks before the typhoon. However for bigger orders they hire trucks from transporters and since Yolanda, trucks are in short supply.

The key reasons cited for this were:

- (i) damage to trucks during the typhoon,
- (ii) diversion for relief work by humanitarian agencies who are willing to pay a higher sum for hiring trucks and
- (iii) poor incentive for the wholesalers/suppliers to repair their damaged fleet as the current situation of high need and artificial low supply works in their favour.

The cost of transportation via land from Manila is higher now and the waiting time for the ferry in Matnog is longer (on average 5 days waiting time) due to priority being given to relief goods.

Key Findings

3. Low purchasing power among the affected population (e.g. 50% reduction in incomes for households in the fishing livelihood zone)

- This EMMA concludes that the local market will be able to respond to the needs if the purchasing power of people increase and/or if the procurement of CGI sheets by aid agencies is done at the municipality level.

Response Recommendations

1. Increase purchasing power of households through a combination of commodity vouchers (to include CGI sheets, lumber, nails etc) and cash grants (to cover local transport, labour etc). The vouchers will allow agencies to control the quality of the CGI sheets and follow shelter cluster recommendation on the strength/width of the CGI sheets. Vouchers will also create an incentive for medium and small retailers to procure CGI sheets at scale directly from Manila/Cebu. In kind distribution of CGI sheets could be an alternative where the overall cost of the entire operation is lower than the normal market process. Even in such cases, relief agencies are encouraged to purchase locally to support the local market to recover from the effects of Yolanda.
2. Urgently invest in understanding the impact of Yolanda on the transport business, including the effect of humanitarian response by government and relief agencies on the availability of trucks for commercial activity. This will support a well informed response that will be of use for all technical sectors in the Yolanda response.
3. Advocacy with government and International relief agencies to clear the congestion at ferry/ shipping routes and allow the recovery of commercial activity through these routes (especially Tacloban port).

WANTED TRUCKING
FOR MANILA

