

BNNB Statement

31st October, 2023.

Government's Push to Address Immediate Cost of Living Needs Continues to Face Hurdles

The cost of living for a family of five, as measured by the Jesuit Centre for Theological Reflection (JCTR) Basic Needs and Nutrition Basket (BNNB) for the month of October in Lusaka stood at K9, 294.76. In comparison to the recorded figure of K9, 146.06 in September 2023, this signifies an increase of K148.70. Our research revealed an increase in food items such as roller mealie meal which increased from K217.14/25kg bag to K229/25kg bag; beans increased from K35.21/kg to K48.55/kg and kapenta increased from K234.50/kg to K297.10. An increase in charcoal was also recorded from K370/90kg bag to K461/90kg bag. On the other hand, the basket recorded a decrease in fruits such as mangoes, oranges and apples from K21.88/kg to K9.95/kg.

The persistent issue of the cost of living in Zambia has been a recurring concern for the nation. Citizens have grappled with the challenges of affording basic necessities including mealie meal, and this long-standing problem continues to be a focal point of public discourse and policy considerations. It is essential to closely monitor factors such as inflation, fluctuating commodity prices, and overall economic conditions. In October 2023, Zambia witnessed its annual inflation rate increase for the fourth consecutive month, reaching 12.6%. This marked the highest inflation rate recorded since March 2022, surpassing the 12% rate observed in September 2023. The primary driving factor behind this inflation surge has been the continued depreciation of the Zambian kwacha, which has impacted the overall pricing dynamics within the country.

In response to challenges faced by the populace, government has maintained its commitment to addressing the cost of living and enhancing the well-being of its citizens. Observed interventions include, the initiative to offer relief to households through Zambia National Service (ZNS) who have made available relatively cheaper mealie meal in the selected stores at a price of K190 for a 25kg bag of roller meal. On average roller mealie prices have seen a sustained increase above K230 for a 25kg bag in some districts across the country¹. Furthermore, government intends to distribute maize grain directly through the reserve agency to communities as a measure to alleviate the impact of the increasing cost of mealie meal. We encourage the government to expedite this process, as such direct assistance can significantly aid households in meeting a portion of their daily nutritional needs.

Nonetheless, the lingering concern is, how sustainable will the government's maize supply be? While these measures may offer short-term relief to households, our long-term aspiration is to establish a more sustainable approach that involves enhancing maize production (and other cereals) thus allowing Food Reserve Agency (FRA) to maintain a consistent grain stock throughout the year, available at an affordable price.

¹ JCTR BNNB data 2023

Despite ongoing endeavours, the government's persistent drive to alleviate immediate cost-of-living pressures continues to encounter formidable challenges. Economic instability, external shocks affecting prices of essential commodities such as fuel, and increased vulnerabilities have combined to create a complex landscape. These hurdles necessitate a comprehensive and adaptable strategy to safeguard the well-being of the populace and set the stage for enduring solutions. In light of this, JCTR recommends implementing the following measures, in addition to those already in effect, to tackle the high cost of living:

1. Government should proceed with its plans to distribute maize grain directly through the reserve agency to communities as a short-term measure to mitigate the impact of the rising cost of mealie meal. It is key that the most vulnerable communities across urban, peri-urban and rural areas are targeted. However, it is crucial that this effort is accompanied by a long-term strategy to enhance domestic maize production and food security, as sustained and affordable access to staple foods should be a fundamental goal for ensuring the well-being of all Zambians.
2. Government with support from cooperating partners through strategies implemented in country should enhance social protection initiatives to guarantee their meaningful impact and preserve human dignity, both by increasing the value transfer amount on programmes such as social cash transfer and expanding the coverage to reach more beneficiaries. However, it's worth noting that the proposed 2024 national budget lacks measures to scale up the cash transfer value.
3. Government working through the Energy Regulation Board, should take immediate action to address the high fuel prices, as it is crucial for economic stability. Despite having implemented cost-reflective tariffs in the energy sector, it would be beneficial for the board to explore innovative solutions and run simulations to assess the impact of reverting to a 90-day fuel price adjustment mechanism. The JCTR's Basic Needs and Nutrition Basket Surveys consistently highlight how fuel price volatility significantly affects commodity and service prices in the market. Achieving stability and predictability in fuel prices is essential to prevent these costs from being passed on to consumers.

For further clarifications contact the Social and Economic Development (SED) Programme at the Jesuit Centre for Theological Reflection (JCTR) on 0955295881 and 0954755319. Email: jctr.sed@gmail.com and jctr.info@gmail.com. Martin Mwamba Road, Plot 3813 Martin Mwamba Road, Olympia Park – Lusaka. P. O. Box 37774 Lusaka – Zambia.

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