

BNNB STATEMENT

November 29, 2024

Building Resilience through Value Addition and Diversification

Marginal Decrease in the Cost of Living for Lusaka Families Observed in November 2024

The Jesuit Centre for Theological Reflection (JCTR) has reported a slight reduction in the Basic Needs and Nutrition Basket (BNNB) for November 2024 for a family of 5, which now stands at K10, 393.16, down from K10, 408.88 in October. This marginal decrease of K15.72 highlights the influence of seasonal changes and price fluctuations across essential items in the basket.

The reduction is primarily attributed to a notable drop in the cost of most fruits, which declined from K19.41 to K13.11 per kg. This decline can be linked to seasonal factors, enhancing the affordability of fruits during this period. Additional reductions were observed in staples like mealie meal, Kapenta, vegetables, and onions, contributing to the overall decrease in the basket's total cost.

However, not all prices moved favourably. The cost of charcoal rose significantly, increasing from K418 in October to K450 per 90kg bag in November, reflecting rising energy costs. Other items that saw price hikes include pounded groundnuts, tomatoes, and chicken. These increases offset some of the relief experienced from the declines in other items.

The variability in unit costs of food items reveals a mixed impact on households. For instance, roller mealie dropped from K297.71 per 25kg to K275.00, offering relief for families reliant on this staple. Similarly, Kapenta prices decreased from K369.19 per kg to K349.27, improving accessibility. Conversely, pounded ground nuts saw a steep increase from K76.41 per kg to K110.32, the sharpest rise among food items. Additionally, chicken prices rose from K138.30 per 2 kg to K149.71, reflecting higher demand or production costs. Charcoal recorded the most significant increase among non-food items, with its unit cost rising from K418.00 per 90kg to K450.00, driving up household energy expenses.

Implications for Families

The price reductions in key staples and fruits provide some relief to families, especially in terms of nutritional affordability. However, the simultaneous increases in essential proteins, groundnuts, and charcoal offset these gains, particularly for low-income households. The cost of living remains exceedingly high, with urban areas experiencing a more rapid increase in poverty compared to rural areas, as highlighted in the 2022 Living Conditions Monitoring Survey. Stagnant incomes and struggling businesses, exacerbated by persistent load-shedding, have caused the cost of living to exceed far what most households can afford.

Recommendations

The JCTR urges the following measures to address these challenges:

- 1. *Mitigate Energy Costs:* The government should encourage the adoption of affordable alternative energy sources thereby reducing consumer dependence on charcoal and maintain a steady supply of electricity for easy planning at the household level.
- Support Affordable Nutrition and Value Addition: Policies to promote local production of high-demand items such as ground nuts and chicken are critical. Additionally, leveraging the Constituency Development Fund to support value addition for abundant seasonal fruits and vegetables can help reduce wastage and stabilize prices over the long term.
- 3. *Expand Shock-Sensitive Social Protection:* Urban poverty response measures, including emergency price-stabilization cash transfers, should be introduced to cushion vulnerable households against the high cost of living.

JCTR remains dedicated to advocating for policies that advance economic justice, social equity, and sustainable development for all Zambians. Addressing these challenges and building a resilient, inclusive economy requires stronger government action and the collective efforts of all stakeholders.

For further clarifications, contact the Social and Economic Development (SED) Programme at the Jesuit Centre for Theological Reflection (JCTR) on 0955295881 or 0954755319, or email <u>media.information@jctr.org.zm</u>

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Advocacy on Living Conditions

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