

**19<sup>th</sup> January, 2022**

## **DEMANDING ACTUALISATION OF CUSHIONING INTERVENTIONS CONTAINED IN THE 2022 NATIONAL BUDGET**

The cost of living for a family of five in Lusaka as measured by the Jesuit Centre for Theological Reflection (JCTR) Basic Needs and Nutrition Basket (BNNB) for December 2021 stood at K8, 359.80, a K214.52 increase in comparison to the November basket that stood at K8, 145.28. The upward movement in the basket is attributed to increased prices of some selected items. Of note, total food cost increased by a larger margin than non-food items moving from K2, 905.24 to K3, 118.17, an increase of K212.93. The non-food but essential items section on the other hand moved to K5, 241.63 from K5, 240.04, an increase of K1.59. 1kg of other fruits also moved from K109.75 to K159.94, an increase of K50.19. 25Kg bag of mealie meal (roller) moved from K91.14 to K99.28, translating to K198.57 for 2 25kg bags, 40Kg of vegetables also increased by K138.71 from K423.79 to K562.59. Additionally, increases were noted in the prices of 1Kg kapenta which went up by K53.79 from K233.87 to K287.66 and 5kg of chicken moved from K285.35 to K306.42, an increase of K21.07. Price decreases were however recorded in some items. 1Kg pounded groundnuts reduced by K14.35 from K48.65 to K34.30. 2 90Kg bags of charcoal also increased by K20.00 from K756.00 to K776.00.

A critical analysis of the December basket shows an overall increase in the prices of essential items likely on account of a number of factors. The increase in the price of a 25Kg bag of mealie meal (roller) is attributed to the commencement of the farming season. Additionally, the month of December 2021 being a festive period historically registers price increases especially in items such as chicken, beef and rice due to increased demand. Further, the cost of other fruits increased as mangoes become scarcer. The price of other fruits is therefore expected to further increase in January 2022. The increase in the prices of fuel also appears to have had an impact. It is however expected that January will record more price increases and overall a higher cost of living. While justified especially in view of key variables such as the exchange rate and the price of crude oil per barrel on the international market, its impact on the cost of living is undeniable. JCTR notes that given the increase in fuel prices, Zambians should be ready for the cost of living to significantly go up in January 2022. The 2019 fuel price increment saw the cost of living increase from K6, 600.00 in December 2019 to K7, 410.00 in January 2020 in Lusaka. Increases were also noted in the other BNNB towns.

Zambia as a developing country has over 50 percent of its population living in poverty with average incomes pegged at K4, 391 according to the 2020 Labour Force Survey. More so, average incomes for professionals are pegged at K8, 000.00 and above. Evidently, inequality gaps between the haves and have-nots remain and disadvantage the poor and marginalised sections of our society. JCTR therefore urges Zambian households to embrace consumption of the more nutritious roller meal to keep the cost of living lower. While the price of mealie meal (roller) has increased, it does still remain significantly cheaper than that of breakfast mealie meal. JCTR also hopes that with the commencement of the implementation of the 2022 national budget, interventions that impact on the cost of living will be actualised and sustained.

For example, in the 2022 budget, with a view to improve the Farmer Input Support Programme, government plans to implement a new comprehensive agriculture support programme. A thriving agriculture sector is key in supporting livelihoods and keeping the cost of living affordable for the average Zambian. JCTR recommends that this is prioritised and that seasonality issues are addressed.

Additionally, towards providing the much needed income support to households, the Centre does recognise the timely release of initial Social Cash Transfer as well as pensioner's funds. JCTR urges government through the Ministry of Finance to sustain the timely release of funds for key social sector spending budget lines as these are key in cushioning the poor and the marginalised in the context of a high cost of living. However, the delayed recruitment of teachers and nurses is a hurdle to the objective of enhancing employment outcomes for the thousands of unemployed trained teachers and nurses. Actualizing all these interventions will necessitate the possibility of improving the living standards and conditions of the ordinary citizens, especially the marginalised, the vulnerable and the poor.

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