

BNNB Statement

7th June, 2022

A CALL FOR PRIVATE SECTOR DRIVEN ECONOMIC GROWTH TO ALLEVIATE POVERTY LEVELS IN ZAMBIA

The cost of living for a family of five living in Lusaka as measured by the Jesuit Centre for Theological Reflection (JCTR) Basic Needs and Nutrition Basket (BNNB) for the month of May 2022 stood at K9, 293.04. This shows a decline of K33.37 from the April 2022 basket which was K9, 326.41. The decline in the basket can mainly be attributed to price movements in the food item section. Which recorded a reduction of K96.67 from K3, 659.19 in April 2022 to K3, 562.52 in May 2022. The basket has since recorded reductions in items such as; 14kg of other fruits went down by K86.33, from K322.00 (K23.00/kg) to K235.67 (K16.83/kg), 2 25kg bag of roller mealie meal also went down by K16.67 from K280.00 (K140.00 per bag) to K263.33 (K131.67 per bag). Additionally, 1kg of kapenta was also reduced by K24.00 from K292.11 to K268.11. From the non-food but essential items, the price of 2 90kg bags of charcoal was reduced by K8.96 from K823.96 (K411.98 per bag) to K815.00 (K407.50 per bag). On the other hand, price increases were observed in the value of 40kg vegetables which increased by K12.63 from K582.61 to K595.24, and 4kg rice which went up by K2.88 from K92.00 to K94.88.

Analysis of the price movements on the basket has shown that the principles of seasonality, demand and supply have continued to affect the movement of prices on the basket. Particularly, this is reflected in the price of kapenta, following the lifting of the fish ban, there has been an increased supply of the commodity on the market hence the price reduction. Additionally, a reduction in the price of citrus fruits such as oranges and apples is on account of seasonality. It is nonetheless, JCTR's desire that such reductions and even more could be registered towards enhanced access for citizens to basic essential items such as food.

Observing the landscape of the global economy, one of the key issues relating to the cost of living in May 2022 is the International Monetary Fund (IMF)'s call for governments to subsidise food and energy prices for countries with struggling economies as increased prices in food and energy increases the cost of living for many. However, given Zambia's current economic situation (fiscal deficit and national debt overhang) it will not be sustainable to re-introduce subsidies. Therefore, JCTR recommends that the Government of Zambia explicitly embarks on introducing policies that would reduce the cost of food production as well as spur economic growth and create much-needed jobs as unemployment has been one of the major challenges being experienced by the Zambian people. In addition, JCTR calls upon the private sector to play a key role in economic growth and job creation drive, both of which can significantly contribute to poverty alleviation and the promotion of human dignity. The private sector must augment the government's efforts in exploring effective ways of reducing the prices of food and energy.

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

