

# **BASKET RISES TO OVER K240,000**

The announcement on Friday 29 January ,1999 of the 1999 budget by Honorable Edith Nawakwi, the Minister of Finance and Economic Development, has brought wide spread focus on poverty reduction in Zambia. Certainly relevant to this discussion is the figure of the latest "Food Basket" prepared by Jesuit Centre for Theological Reflection (JCTR) for January 1999 which is K240,920 marking an increase of 22.4% from January 1998.

This is the increase of K10,000 over the figure of December 1998. Significant rises occurs in mealie meal, cooking oil, charcoal and eggs. For instance, the price of mealie meal has risen by K650 from K18,800 in December 1998 to K19,450 in January 1999, whereas the price of cooking oil has risen by K1,630 from K11,050 in December 1998 to K12,680 in January 1999.

As inflation and devaluation of the local currency continue to take toll, prices of basic food commodities continue to rise without any corresponding increase in incomes. As a result worker's earnings have drastically declined over the years and poor people are getting poorer.

In the light of this rise and its implication for the poor majority of Zambians, the JCTR endorses the call of Catholic Commission for Justice and Peace (CCJP), trade unions, and other NGOs that the base rate for PAYE should be set for at least K200,000. This will slightly ease off the economic burden on low and middle-income earners.

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