## BNNB Statement February, 2021

**Zambia records the highest inflation rate since 2016 escalating the cost of living to K8, 394.01**

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 January stood at K**8, 394.01.** This shows an increase of K989.96 from the December 2020 basket which was K7, 404.05. The rise in the basket can be attributed to increase in the items from both the basic food and the non-food but essential items section. From the basic food items, kapenta increased by K85.82 from K268.67 to354.49 for 1kg, potatoes moved from K50.55 to K106.36 an increase of K56.01 for 4kg, the price of 40kg of vegetables increased by K 55.44 from K506.37 to K561.81, bananas moved from K226.78 to K273.41 showing a K46.63 rise, milk showed a K40 price increase moving from 199.97 to 239.97 for 10 litres, pounded groundnuts moved from K42.83 to K74.62 for a kg, beans increased by K26.12 from K127.80 to K153.92 for 3kg, soya pieces increased by K25.91 for 2 kg moving from K87.18 to K113.09. The price of onion, other fruits, tomatoes and chicken showed increases ranging between K18.84 and K15.74. From the non-food but essential items, the price of charcoal increased by K232.20 from K353 to K567.20. Housing and electricity cost increased by K190 and K37.50 respectively from the 2020 figures as this is updated annually.

Key to understanding these price increases are a diverse set of contextual challenges. The effect of the fish ban continues to affect the price of kapenta. We further anticipate that this will continue as the fish ban is scheduled to only end in May 2021. Price movements from December to January are the highest month on month record since January 2020. Seasonality has also affected the price of vegetables in the country as was the case in January 2020 were the price of 40kg of vegetables was K669.77. Overall, the 2021 January basket has shown a 13.26 percent increase from the January 2020 basket.

While the nation has continued to record favourable rainfall across the country which is projected to result in another bumper harvest in the 2020/21 farming season, significant challenges remain. The annual inflation rate for January 2021 stood at 21.5 percent according to the Zambia Statistics Agency. This has been the highest annual inflation rate since April 2016. Nonetheless, a look at selected items such as beef, beans, chicken and milk on the JCTR BNNB, shows an average increase of at least 50 percent between January 2020 and January 2021. The price of beef increased by 67.74 percent from K72.71 to K133.71, milk shows a 55.59 percent increase, beans increased by 53.92 percent and chicken increased by 31.62 percent. With these figures it is evident that price increases in some basic items are much higher than the average annual inflation rate. Thus indicative of the significant challenges that Zambian households are facing in meeting their day to day basic needs.

The critical need to prioritise clear interventions that will help address the nation’s macroeconomic challenges therefore remain a must if households are to register improvements in this facet. We also call upon Government in collaboration with other key stakeholders to explore interventions that would help cushion fishermen during fishing ban periods in order to not compromise their food security and consequently nutrition status. Failure to address the nation’s macroeconomic challenges and provision of adequate social protection will continue to push individuals with no or lower incomes further into the poverty trap thus eroding household’s ability to live dignified lives.

**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**](mailto:jctr.sed@gmail.com) **and** [**jctr.info@gmail.com**](mailto:jctr.info@gmail.com)**. Martin Mwamba Road, Plot 3813 Martin Mwamba Road, Olympia Park – Lusaka. P. O. Box 37774 Lusaka – Zambia**