# BNNB Statement 11th August, 2021

# **2021 General Elections Pivotal but the Nation’s Development more Critical**

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 July 2021 in Lusaka stood at K8, 495.52, a K6.04 increase from the K8, 489.48 recorded in June. The minimal increase in the basket is attributed to upward price movements in items such as soya pieces which rose by K54.26 from K119.11 to K173.37 for 2kg. The price of 40kg of vegetables went up by K50.53 from K466.55 to K517.88, 16kg of bananas also increased by K21.59 moving from K195.46 to K217.05, 1kg pounded groundnut went up by K21.86 to K61.22 from K39.36 and 2 kg of beef increased by K15.51, moving from K139.63 to K155.14. These price increases were however offset by price declines in items such as other fruits which went down by K115.35 for 14kg, 3kg of beans which reduced by K10.99 moving from K120.48 to K109.49 and 250g of tea that reduced by K10.71 to 41.86 from K52.57. No notable price movements were recorded on the essential non-food items.

The noted price changes in other fruits could be attributed to favourable weather coupled with the appreciation of the kwacha in July 2021 as this key food item is mainly imported. Additionally, the price movements in vegetables was possibly affected by the unfavourable weather which affects the supply of this key food item.

In the month of July, government implored various economic and financial interventions. One of the most prominent financial interventions was the civil servants debt swap which increased their take home pay and consequently their spending capacity. The first half of the year also recorded notable achievements in resource mobilisation, through collection of revenues and grants amounting to 56% above the targeted amount. Expenditures were however 18% above the estimated expenditures on account of funding towards developmental projects and dismantling of arrears. JCTR wishes to recognise government efforts made with regards stabilising the nation’s key macroeconomic indicators such as the exchange rate which has implications on household’s cost of living and access to basic needs. Nonetheless, the sustained double-digit inflation remains a key hurdle for most Zambians to afford the available basic items especially food. Evidently, government’s interventions in ensuring the reduction of the inflation rate remains a key need.

Zambia’s 2021 general elections are set for 12th August. JCTR recognises this pivotal moment in the nation’s democratic history but also remains cognizant that ultimately, the nation’s holistic development is more critical. Therefore, JCTR recommends that government formed after elections prioritises three key issues: sustained stabilisation of the macroeconomic indicators as a key intervention in ensuring affordability of nutritious foods especially for the poor and marginalised; prioritisation of Zambia’s debt overhang which has compromised the nation’s development outcomes; and a protection of social sector spending especially health, education, social protection and water and sanitation in order to improve the living conditions of over 50 percent of the Zambian population living in poverty.

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