***Press Release*** ***8th August 2014***

**INCREASE IN THE COST OF LIVING A MAJOR CONCERN AMONG HOUSEHOLDS**

According to the Central Statistical Office (CSO) publication *The Monthly* the annual rate of inflation as measured by the *all items Consumer Price Index* (CPI) has risen to 8.0 percent on account of surges in prices of non-food items such as water, electricity, housing etc. This is a matter that should attract the concern of the general citizenry on account of the fact that the initial forecast by government was to attain year end inflation of no more than 6.5 percent by close of fiscal year 2014. Clearly this target may prove to be elusive in due course.

We find this situation regressive in the light of the fact that around this period the economy should enjoy relative price stability on account of post-harvest season reduced demand for food items and yet the reality is that inflation continues to increase steadily. Further, JCTR is concerned that since January 2014 the annual rate of inflation has been on a gradual and yet steady rise. Rising inflation undermines the purchasing power of wage earners by eroding their incomes.

The cost of living for the month of July 2014 as measured by ***JCTR’s Basic Needs Basket*** (BNB) for an average family of five living in Lusaka is **K3, 692.34**. This shows an increase of **K11.20** from June’s BNB which stood at **K3, 681.14**. The increase is attributed to the hike in prices of the following food items; *Kapenta* by **K11.84** per Kg, *Mealie meal* by **K1.28** per Kg and V*egetables* by **K1.55** per Kg from the previous month of June. In contrast, other commodities showed marginal decreases in pricing namely, Dry fish which decreased by **K12.05** per Kg and Cooking Oil which decreased by **K9.74** per Kg.

As the Jesuit Centre for Theological Reflection (JCTR) we appeal to the government to work extra hard in ensuring that they meet the year-end target of inflation which was projected at 6.5%. This will help reduce the burden that most families are experiencing as the rise in the cost of food and non-food items continues to surge higher. The rise in the cost of living does not reflect well on the economic management of the country as we have just come out of a kwacha currency turbulent period and now the Zambian people have to deal with the challenge of rising inflation. The Basic Needs Basket just goes to expose the plight of the poor in our society and how the average person is struggling to afford even the most basic monthly commodities. As a nation our vision is to become a prosperous middle income country by 2030, therefore it our hope that the development efforts will be skewed towards achieving this vision.

**For more information, contact the Social and Economic Development Programme of**

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