***Press Release*** ***11th July 2014***

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

The government was recently quoted in the media as having released K1.6bn for poverty reduction and employment creation activities. The government further cautioned various government agencies to maintain the positive growth of the economy and ensure that the intended beneficiaries benefit from the resources in a timely and sustainable manner. This is according to a statement that was released by Ministry of finance public relations officer Chileshe Kandeta. This announcement is very timely however the situation on the ground shows that majority of Zambians do not have enough money to meet the monthly cost of living as measured by the Basic Needs Baskets and are resorting to coping mechanisms such as having one meal a day. For the poor, the cost of living has become so high that relatively few people can afford to have even one decent meal a day.

The cost of living for the month of June 2014 measured by ***JCTR’s Basic Needs Basket*** (BNB) for an average family of five living in Lusaka was **K3, 681.14**. This shows an increase of **K44.68** from May’s BNB which stood at **K3, 636.46**. The increase is attributed to the hike in prices of the following food items; *Kapenta* by **K6.00** per Kg, *Beans* by **K6.88** per Kg and *Cooking Oil* by **K1.14** per Kg from the previous month of April. There has also been a significant increase in the price of charcoal from **K127.50** in May to **K135.00** in June, showing an increase of **K7.50**. In contrast, other commodities showed marginal decreases in pricing namely, Dry fish which decreased by **K14.54** per Kg and Beef which decreased by **K0.57** per Kg.

However, despite the decreases in some food items in the cost of the Basic Needs Basket JCTR is concerned that the overall total price of the basket is still increasing. This month will see ZESCO effect the new tariff and this increase in electricity tariffs will invariably affect the manufacturers’ cost of production and ultimately this cost will be passed on to the consumers. The JCTR acknowledges several measures taken by the government to curb the high cost of living and ensure that the vulnerable access the basic needs, there is need however for more long-term and sustainable measures to stabilise the overall cost of basic needs which may potentially disadvantage a number of citizens.

As a centre we appeal to the government that it must ensure that all development efforts ensure that majority of the families are able to access basic needs such as food, clean water, health and shelter. The welfare of majority of the Zambians should be top on the agenda of government so that people lead dignified and sustainable livelihoods. It is saddening to note that there are families that are still surviving on one meal a day when the economy is said to be developing. The government needs to find ways of channelling the positive economic growth into improved living conditions for majority of the Zambians. We are aware that government is committed to the well being and welfare of its people and will stop at nothing to ensure that people move from the trap of poverty and are able to enjoy the benefits of economic growth however government should go beyond policy pronouncements to implementation of strategies and programmes.

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

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