**BNB Press Release 26th February, 2018.**

**Basic Needs Basket Increases by over ZMW 200**

JCTR has recorded its highest figure for Lusaka's cost of living in January 2018 at **ZMW 5,229** since the Basic Needs Basket inception in the early 1990s. Last year (2017) the BNB closed off at **ZMW 4, 957** and this year it has started at a higher figure of **ZMW 5,229**. The higher than usual increase in the Basket is largely attributed to the one off price adjustment of particular BNB items such as electricity, housing and water. According to our methodology, the cost of these items in the Basket are adjusted at the beginning of the year unlike other items like Mealie Meal whose prices are adjusted in the month the commodity price has been adjusted. With the upward adjustment of electricity tariff of 75% in 2017, a sharp increase in the JCTR Basic Needs Basket is inescapable.

The **January** **2018** JCTR **Basic Needs Basket** (BNB) for a family of **five** living in **Lusaka** was **ZMW272** more than the **December 2017 BNB**. The increase in the BNB was largely attributed to increased costs in key non-food items such as Electricity and Housing. After the **75 percent** Zesco’s tariff upward adjustment, **electricity** cost increased from **ZMW 200** to **ZMW 292 per 402 kWh**. **Housing** increased from **ZMW 2,650** to **ZMW 3,000** for a 3 bedroomed house in medium density areas. BNB also recorded increase in other provinces. For instance, **Kitwe** recorded an increase in some items such as housing which increased from **ZMW 1,650** to **ZMW1, 800** for a 3 bedroomed house in medium density areas. Food items such as Mealie meal and dark green vegetables increased by **ZMW3.00** and **ZMW1.00** respectively. Prices for non-food items such as **charcoal**, **tea** and **cooking oil** reduced by **ZMW10**, **ZMW27** and **ZMW1.00** respectively.

The increase in electricity cost in the country was due to ZESCO’s upward tariffs adjustment by 75% in 2017. Owing to high electricity cost some households have substituted electricity for an alternative source of energy such as charcoal for cooking. Despite providing an easy but not so cheap alternative for electricity, the shift has negative consequences on the environment. It is noted that high demand on housing in Lusaka causes upward pressure on rental costs annually especially in medium and low density areas. This is making decent housing unaffordable to the majority of urban poor in Lusaka who are then forced to take up residence in high density areas. Water and sanitation costs have remained the same though there has been an ongoing transition of Lusaka Water and Sewerage Company from fixed water charges to pre-paid meters which requires households to pay per quantity of water used.

As JCTR, we urge government to develop strategies that will attract investment in the energy sector. This is because a diversified and competitive energy sector would yield the desired result of bringing down the cost of electricity. There is also a need for a deliberate policy to promote alternative and renewable energy sources in Zambia. Furthermore, given that access to water is a right for all, we urge the Ministry of Water Development, Sanitation and Environmental Protection, to partner with Lusaka Water and Sewerage Company to build the capacity to enhance water supply network in Lusaka to ensure that all areas in Lusaka have access to affordable, safe and clean water. We also urge the government to come up with policies that promote creation of jobs so that people will have enough income to afford decent housing and improved standard of living.

**Jesuit Centre for Theological Reflection, P.O. Box 37774, 10101 Lusaka, ZambiaTel: 260-211-290-410 Fax: 260-211-290-759 E-mail: basicjctr@jesuits.org.zm Website:** [**www.jctr.org.zm**](http://www.jctr.org.zm)

**Location: 3813 Martin Mwamba Road, Olympia Park, Lusaka**