



## **HARARE BASIC NEEDS BASKET**

**October 2013**

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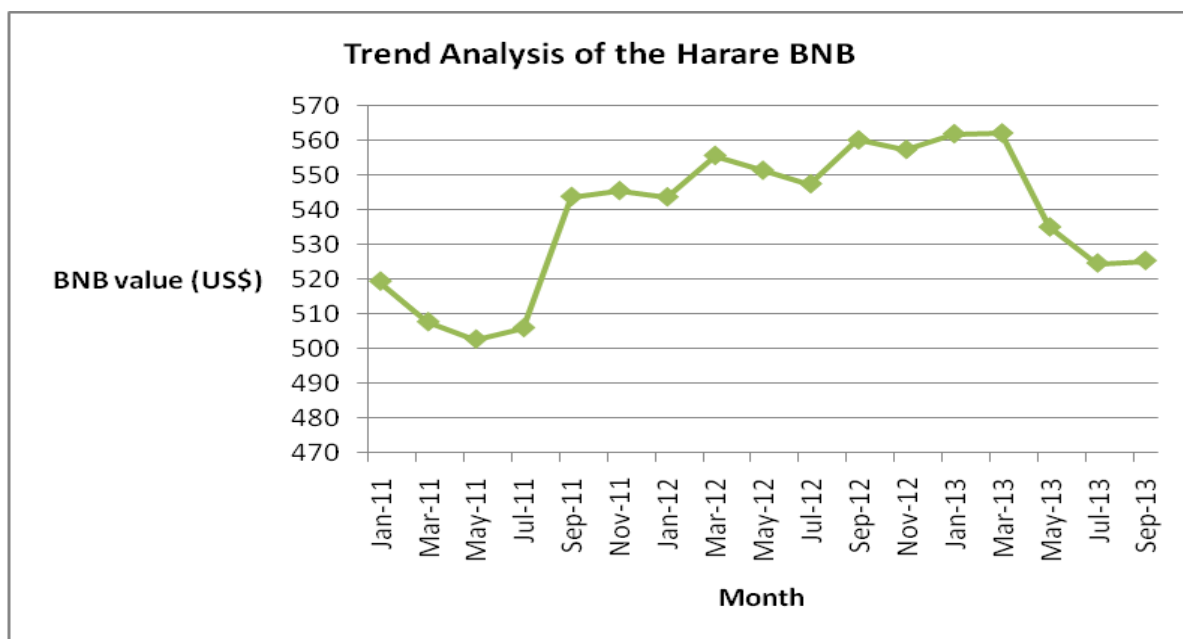
## Harare September 2013 BNB<sup>1</sup>

Item	Preferred brand	Unit available	Quantity	Harare Average (US\$)
<b>A. Essential Food Items:</b>				
Mealie Meal	Red Seal (Roller meal)	20kg	2	25.02
Cooking oil	D'lite	2Ltrs	2	8.65
Beef	Mixed	1kg	5	27.74
Chicken	Suncrest cuts	2kg	1	7.78
Beans	Sugar beans	500g	4	9.47
Fish	Fresh	1kg	2	7.63
Kapenta	Dried	1kg	1	8.90
Salt	Pro-brands	2kg	1	0.89
Bread	Bakers Inn	1loaf	30	30.00
Eggs	Standard	1 crate	2	10.68
Sugar	Gold star (white)	2kg	4	8.93
Tea (leaves)	Stella	250g	4	7.78
Milk	Steri	500ml	12	10.46
Margarine	Buttercup	2kg	1	11.22
Onions		1kg	10	12.54
Tomatoes		1kg	10	10.99
Vegetables (greens)	Rape	1kg	22.5	21.94
<b>Sub-total</b>				<b>220.59</b>
<b>B. Essential Non-food items</b>				
Washing soap	Green bar	1kg	5	7.41
Bathing soap	Geisha tablets	250g	5	4.54
Toothpaste	Colgate	100ml	2	2.41
Toilet paper	Softex	4 rolls/pack	6	7.18
Jelly	Vaseline	250g	2	4.60
<b>Sub-total</b>				<b>26.14</b>
<b>C. Rates and other services</b>				
Water & Sanitation (medium cost - fixed)	Water	fixed		5.00
	Average usage/month	m3	40	12.00
	Sanitation (Sewage)	fixed		11.50
Monthly rent (4 roomed house)	Basic Accommodation	per room	4	200.00
Electricity	Average usage/month			50.00 <sup>2</sup>
<b>Sub-total</b>				<b>278.50</b>
<b>Total BNB for Harare</b>				<b>525.23</b>
<b>D. Other Costs</b>				
Telephone/Communication			1\$/day	\$30/month
Transport (public)			\$0.50/trip	\$30/month
School Fees:				
Tertiary	University Public			\$420 -

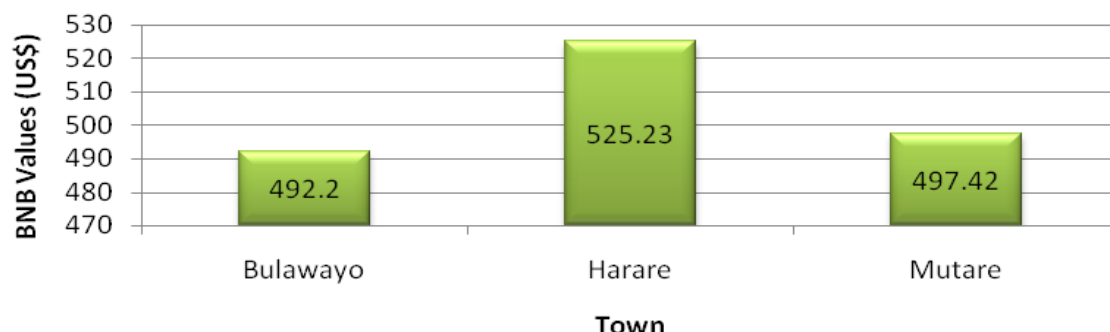
<sup>1</sup> The following are the shops and markets where PRFT collected data on prices of basic commodities for the September 2013 BNB: City Center (TM Robson Manyika, Prime Meats); Epworth (Domboramwari shopping centre); Hatcliffe (Hatcliffe shopping centres); Mbare (OK Mbare and Mbare musika market stalls); Mabvuku (Mabvuku Shopping Centre); Waterfalls (Zindoga shopping centre); Mabelreign (OK and Spar); Newlands (TM); Helensvale (Helensvale Spar). The survey was conducted on the 26<sup>th</sup> of September 2013.

<sup>2</sup> Electricity charges were estimated using averages that families are now paying following the installation of pre-paid meters in most homes.

			\$550/Semester
	Technical/Colleges (Polytechnic)	National certificate level	\$175 - \$200/term
		National Diploma level	\$225/term
	Secondary		\$80/term
	Primary		\$40/term
	Creche		\$30/term
School Uniforms	Girls		\$69 (complete uniform)
	Boys		\$50 (complete uniform)
Health care	CIMAS Basicare Package	2 adults @ \$67 each and 3 children @ \$40 each	\$40/month
Fuel & Lighting	Paraffin (Pump price)		\$1.20/Litre
	Diesel (Pump price)		\$1.35/Litre
	Petrol (Pump price)		\$1.48/Litre
	Matches		\$0.60/pack of 10
	Candles		\$1.85/pack of 6



## Comparison of BNB values for Bulawayo, Harare and Mutare (September 2013)



### October 2013 Household Income and Expenditure Analysis: Basic Needs Basket, A Tool for Household Budgeting



An analysis of the households under the Poverty Reduction Forum Trust (PRFT) sentinel surveys in Bulawayo and Mutare has revealed a drop in the average household incomes in the month of October. In Bulawayo, the average household monthly income has decreased from approximately US\$427.33 in September to about US\$373.58 in October while in Mutare the average income has dropped to US\$341.50 in October from US\$420.40 in September. From the recent Basic Needs Basket (BNB) survey conducted by PRFT, an average family of five in Bulawayo needs a minimum of US\$492.20 to spent on food, essential non food items and bills while for same sized families in Mutare and Harare, the minimum amount required was approximately US\$497.42 and US\$525.23, respectively already showing a gap between households' disposal incomes and cost of basic living. The month of October saw a decline in the proportion of additional income from buying and selling businesses as percentage of total household income to 43% and 16 % in Bulawayo and Mutare, respectively. The fall in monthly proceeds from buying and selling could be attributed to the current low business activity in Zimbabwe. Many households in Zimbabwe are caught in the vicious cycle of poverty. Low levels of business in the country affect wages and salaries received by workers. Poor salaries and wages affect the demand side of the economy leading to low business activity and reduced profits. According to the former Finance Minister Biti's mid-term Fiscal Policy review statement, announced in July, the first half of 2013 has shown evidence of economic stagnation with annual projected Gross Domestic Product (GDP) growth rate revised downwards from 5% to 3.4% by the year end. One of the indicators of low business

performance in the country is the decline in the manufacturing sector's capacity utilisation to 39% by June 2013.

The PRFT October analysis of household expenditures has shown that the expenditure on food as proportion of total monthly expenditure continued to be significant under both sentinel surveys (21% in Mutare and 39% in Bulawayo) followed by expenditure on education, rentals, bills and firewood. Although food continues to take a significant proportion of the households' total monthly incomes, the analysis has revealed slight adjustments in households' budget on food under both surveys. In Bulawayo, the average expenditure on food dropped from about \$164.12 in September to about \$116 in October while for Mutare, the average household food expenditure has declined from approximately \$95.10 to \$93 in the same period. Such changes could be explained by changes in prices of food commodities during the month and choice of food brands bought by the households. Due to household budget constraints, households are resorting to cheap imported brands of food and such behavior is informed mainly by price factor without necessarily considering the nutritional values in these food items. The food items that households consume can be used as a proxy measure to evaluate national progress towards meeting nutrition goals. For example, most households in the PRFT BNB survey initially indicated preference for the Cremora powdered milk. However, consultations with the Food and Nutrition Council established that Cremora, powdered milk imported from South Africa, has no nutritional value except its whitener effect that it adds to tea. In addition to sufficient dietary energy measured in calories, a healthy diet is necessary for normal physical and mental development which ultimately benefits the nation at large. Such diet is one that is diversified and well balanced over the main food groups (starchy staples, non-starchy vegetables, fruits, animal products, fats and oils, legumes and nuts) and contains sufficient levels of essential proteins, vitamins and minerals. From the recent BNB consultative meetings conducted by PRFT in Gweru and Shurugwi, households have shown that they were not considering quality of food products in their budgets but whether they could afford the products. The Zimbabwe National Chamber of Commerce (ZNCC) deputy president recently revealed that embalming fluid was being used in chickens that the country imports from Brazil. These chickens are cheaper than those locally produced and most households tend to purchase these at the risk of exposing themselves to health hazards including cancers. Locally produced food commodities are highly priced as compared to imported food commodities due to high production costs incurred by local producers. For example, a 2 litre bottle of cooking oil of Olivine brand produced in Zimbabwe is sold at an average price of \$4.50 while a 2 litre cooking oil of imported brand such as Delight is sold at an average price of \$3.90. PRFT joins other bodies and government arms in advocating for policies that promote the country's local food brands.

In an effort to live within their means, households are implementing cost cutting measures so as to minimize expenditure. In Mutare, most households have resorted to fetching their own firewood instead of buying. The analysis has shown that the expenditure on firewood as a proportion of total monthly expenditure in Mutare has decreased slightly from 1.1% in August to 0.89% in October. Instead of using their hard earned income to buy firewood, households are using the income saved to meet other costs of basic life requirements such as

food. Firewood is being used as an alternative source of energy due to a massive electricity load shedding in the country since August. While the power shortages has promoted the business of selling firewood in most cities and provided a source of livelihood for some households, the environmental degradation has far reaching impacts if left uncontrolled.

## **POLICY RECOMMENDATIONS**

In order to avoid a situation where households are forced to buy substandard goods because they are cheap, policy interventions that aim to reduce cost of production by local manufacturers should be prioritized by the government of Zimbabwe. Lower costs of production will allow expenditure switching by household from foreign produced to locally produced goods as they become affordable. More so, revival of industries is important as it creates more employment opportunities and better remuneration. Improved household incomes will give them more disposable income hence allowing households to afford a decent and dignified lifestyle. The physical and mental health of citizens is crucial to the general development of a country hence government should put in place policies that protect the entry of goods into the country that are harmful to people.