

Libya Joint Market Monitoring Initiative (JMMI)

1 - 6 September 2019

Libya Cash Working Group

REACH Informing
more effective
humanitarian action

INTRODUCTION

In an effort to inform cash-based interventions and better understand market dynamics in Libya, the Joint Market Monitoring Initiative (JMMI) was created by the Libya Cash Working Group (CWG) in June 2017. The initiative is guided by the CWG Markets Taskforce, led by REACH and supported by the CWG members. It is funded by OFDA and UNHCR.

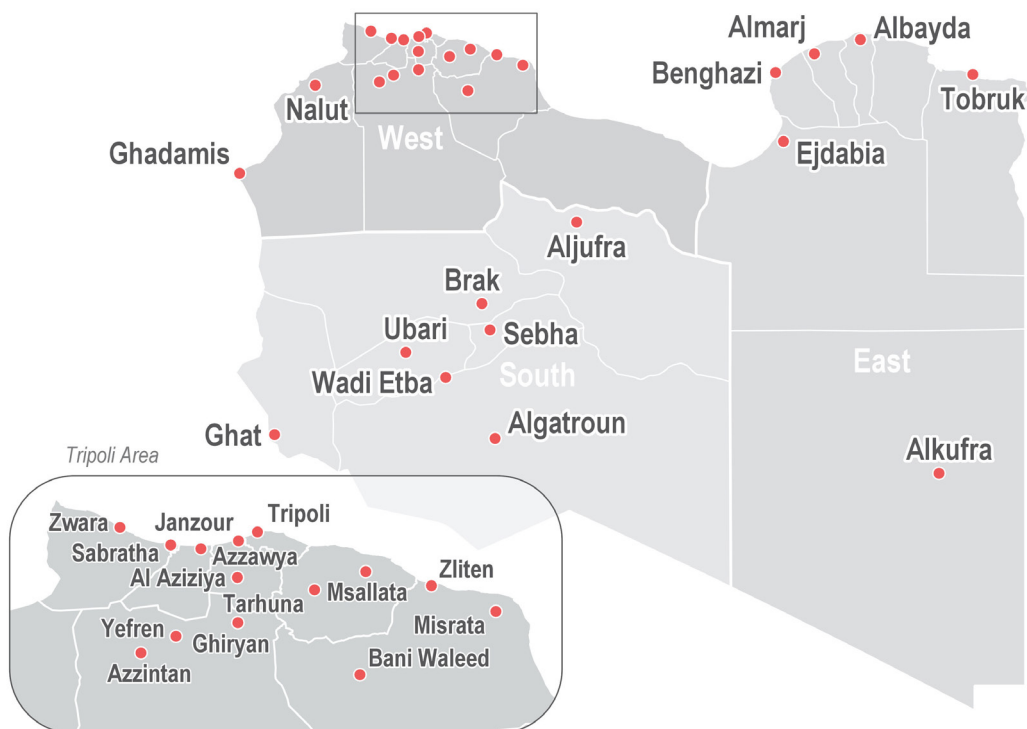
Markets in key urban areas across Libya are assessed on a monthly basis. In each location, field teams record prices and availability of basic food and non-food items (NFI) sold in local shops and markets.

This factsheet presents an overview of price ranges and medians for key food items and NFIs in the assessed areas, as well as the costs associated with key elements of the Minimum Expenditure Basket (MEB).

METHODOLOGY

- Field staff familiar with the local market conditions identified shops representative of the general price level in their respective locations.
- At least four prices per assessed item were collected within each location. In line with the purpose of the JMMI, only the price of the cheapest available brand was recorded for each item.
- Enumerators were trained on methodology and tools by REACH. Data collection was conducted through the KoBoCollect mobile application.
- Following data collection, REACH compiled and cleaned all partner data, normalising prices, cross-checking outliers and calculating the median cost of an MEB in each assessed market.
- More details are available in the Methodology section of the Appendix.

ASSESSED LOCATIONS



KEY FINDINGS

- The LYD continues to appreciate against the USD on the **parallel market**, the value of the dinar has risen by **5% in the past two months**. Many suppliers buy goods relying on parallel market foreign exchange rates and those using the official exchange rates have also witnessed a 20% reduction in the foreign currency transaction fee. Furthermore, recent efforts by authorities to allow small businesses to access foreign currency using the official exchange rates might have also impacted price reductions across the country.¹ **Over the past two months, the cost of the MEB has dropped by 12% in Libya overall and by 20% in west Libya.**
- Despite the east and west experiencing a large reduction in the cost of the MEB, **prices in the south of Libya continue to rise (1.6%)**. According to the latest IOM Murzuq flash update on September 21st, armed conflict and airstrikes continue to be reported. Furthermore, it is estimated that 26,465 individuals are displaced from Murzuq with approximately **19,000 of the IDPs residing in the surrounding cities**, thus increasing the demand in **local markets for certain cities in south Libya**.² As the demand increases in certain areas, prices are likely to rise before the markets are able to adapt. For example, the two neighbouring cities to Murzuq, **Alkatroun and Ubari, have respectively witnessed an increase of 4.6% and 1.2% to the cost of the MEB.**
- Cities in the east of Libya face high fuel price hikes, as the National Oil Company (NOC) **cut back on fuel supplies for the region**, in an attempt to **prevent armed actors using cheap fuel** for the conflict in Tripoli.³ Unofficial LPG prices have **risen by 20% in Ejdabia, 33% in Al Byada and 66% in Almarj.**
- The cost of most **imported and domestically produced items have fallen**, demonstrating a combined influence of **low costs from summer harvests** and a **cheaper exchange rate for suppliers** to access foreign currency.
- The price of bread decreased for the first time in **10 months**, returning to its lowest price since May 2018. The change in the cost of bread was mainly driven by price reductions in west Libya.

JMMI KEY FIGURES

Data collection from **1 - 6 September 2019**

4 participating agencies
(ACTED, DRC, REACH, WFP)
30 assessed cities
34 assessed items
523 assessed shops

EXCHANGE RATES²

1.410 USD/LYD official ► 0.00	4.170 USD/LYD parallel market ▼ -1.4%	4.590 EUR/LYD parallel market ▼ -1.5%
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KEY MONTHLY CHANGES IN MEB

Median cost of overall MEB

706.36 LYD ▼ 40.27 LYD ▼ -5.4%

Food items ▼ -6.3%	Hygiene items ▲ +0.7%	Cooking fuel ⁴ ▲ +6.2%
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MEDIAN COST OF MEB BY REGION

West	703.80 LYD	-7.6% ▼
East	722.04 LYD	-5.0% ▼
South	942.05 LYD	+1.6% ▲

MARKET SHORTAGES

No shortages reported

Reported changes are month-on-month

MINIMUM EXPENDITURE BASKET (MEB)

Key Elements: Food Items

Bread	38 kg	Tomatoes	12 kg
Rice	12.5 kg	Potatoes	14 kg
Pasta	11 kg	Onions	8 kg
Couscous	6.5 kg	Peppers	5 kg
Beans	7 kg	Tomato paste	7 kg
Chicken	9 kg	Black tea	2 kg
Tuna	4.5 kg	Vegetable oil	6 L
Eggs	4.5 kg	Sugar	2 kg
Milk	10 L	Salt	1 kg

Key Elements: Non-Food Items

Bathing soap	1.5 kg (10 150-g bars)
Toothpaste	0.6 kg (6 100-g tubes)
Laundry detergent	1.5 L
Dishwashing liquid	1.5 L
Sanitary pads	4 packs of 10
Cooking fuel (LPG)	22 kg (2 11-kg refills)

Optional Elements⁶

Water (drinking and domestic use)	2,790 L
Median rent for 3-rm flat	1 month
Float ⁷	20% of key elements

The **Minimum Expenditure Basket (MEB)** represents the minimum culturally adjusted group of items required to support a six-person Libyan household for one month. The cost of the MEB can be used as a proxy for the financial burdens facing households in different locations. The MEB's contents were defined by the CWG in consultation with relevant sector leads.

Only the MEB's key elements (food and non-food items) were incorporated into the calculations in this factsheet.

COST OF MEDIAN OVERALL MEB

706.35 LYD

Change since
August 2019
▼ **40.27 LYD**
(-5.4%)

Change since
May 2018
▼ **68.77 LYD**
(-8.9%)

MEDIAN MEB COST BY LOCATION

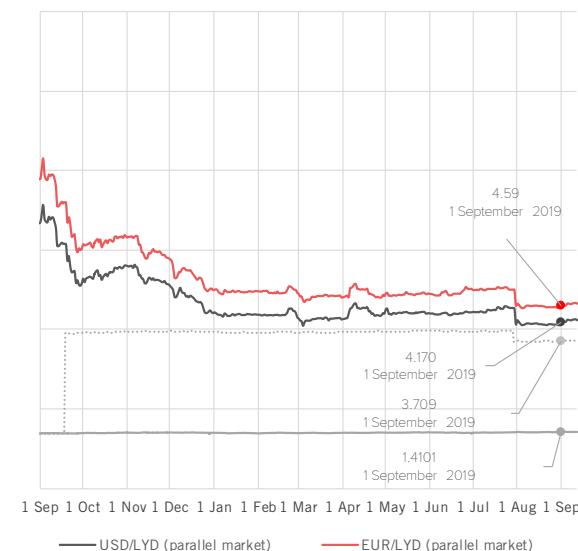
Location	Cost of MEB (LYD)	Since August 2019	Since May 2018
Ghiryān	813.6	-5.5%	10.2%
Nalut	785.6	-4.5%	-7.0%
Ghadamis	783.5	2.1%	-0.4%
Azzintan	775.9	-9.6%	7.0%
Zliten	712.8	-4.5%	-4.5%
Tarhuna	691.5	-7.6%	No data
Tripoli	660.6	-4.4%	-6.9%
Bani Waleed	656.1	-9.2%	No data
Yefren	648.4	-3.3%	No data
Misrata	643.6	-15.0%	-4.5%
Msallata	642.5	-10.8%	No data
Janzour	634.3	-5.7%	No data
Sabratha	616.3	7.6%	-19.4%
Zwara	613.0	4.3%	-24.0%
Al Aziziya	607.2	-7.2%	-21.5%
Azzawya	602.3	3.7%	-22.8%
Median West	650.2	-7.6%	-11.9%
Alkufra	841.8	-0.9%	-12.2%
Ejdabia	721.2	7.0%	5.8%
Albayda	687.4	-6.4%	-16.1%
Tobruk	683.1	-10.4%	-13.7%
Almarj	657.7	-5.7%	-15.7%
Benghazi	644.1	2.6%	-13.7%
Median East	686.2	-5.0%	-12.6%
Algatroun	1141.8	4.6%	7.0%
Ubari	1127.2	1.2%	6.7%
Wadi Etba	1014.4	No data	No data
Ghat	1004.3	-4.4%	3.1%
Aljufra	838.6	-6.0%	-3.3%
Brak	803.1	2.8%	-3.0%
Sebha	801.3	-3.7%	-12.1%
Median South	957.5	1.6%	1.4%
Median Overall	706.4	-5.4%	-8.9%

EXCHANGE RATES OVER TIME⁵

January 2016-September 2018

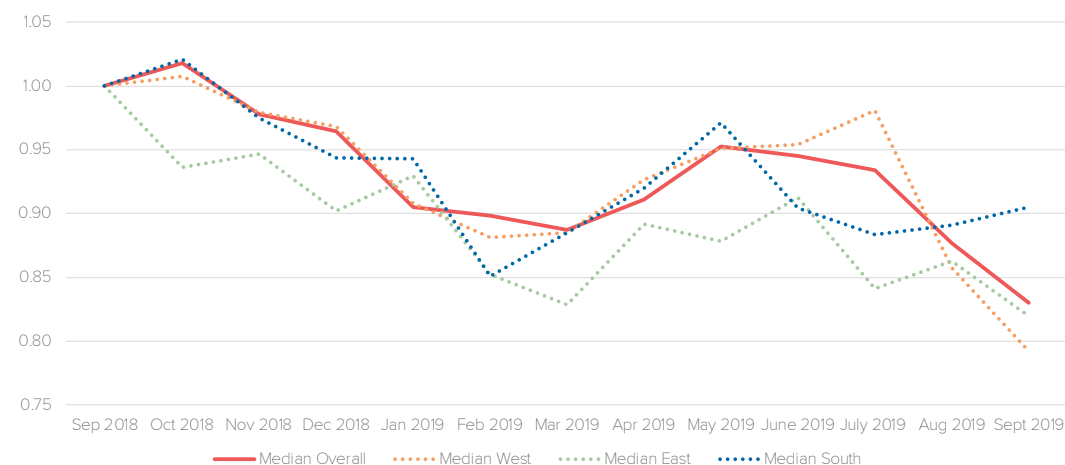


Since September 2018

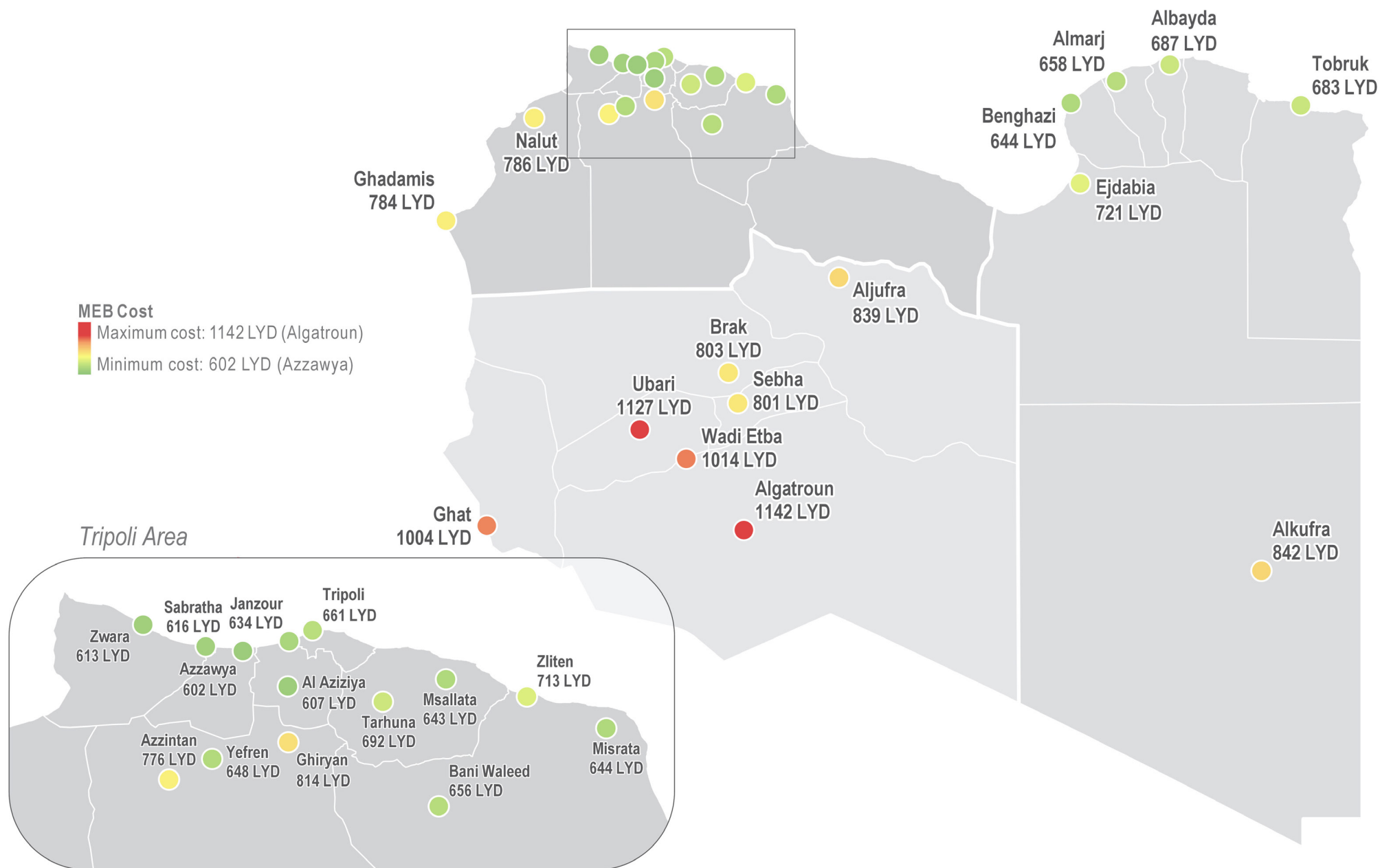


MEB PRICE INDEX

Since September 2018 (normalised, September 2018 = 1.00)⁸



Cost of MEB Key Elements by Location

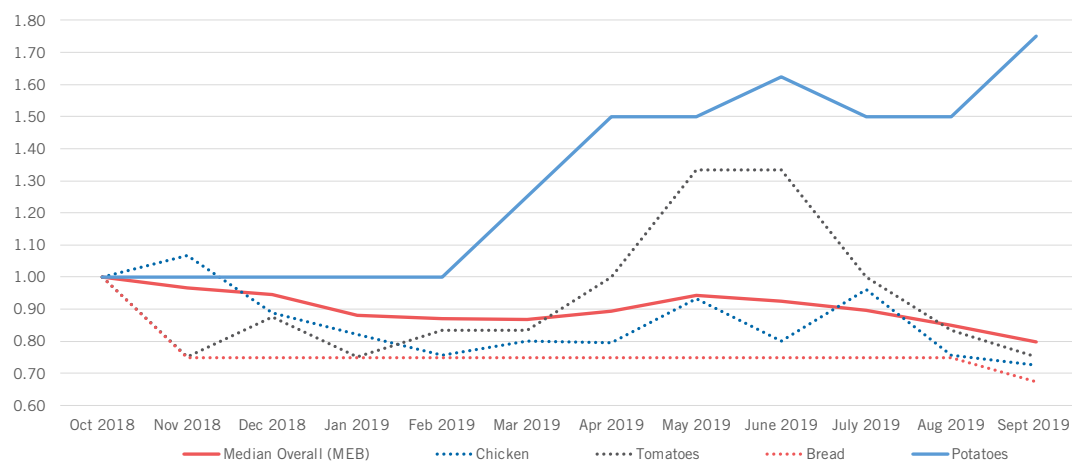


PRICES OF MONITORED ITEMS

Item	Unit	Median price (LYD)	Change since August 2019	Change since May 2018
Food items				
Green tea	250 g	8.50	18.9%	-40.0%
Potatoes	1 kg	3.00	16.7%	75.0%
Pasta	500 g	2.00	0.0%	0.0%
Salt	1 kg	5.25	0.0%	-11.1%
Sugar	1 kg	1.13	-3.3%	-44.2%
Couscous	1 kg	3.38	-3.6%	0.0%
Chicken	1 kg	3.50	-3.9%	-35.9%
Vegetable oil	1 L	623.24	-5.3%	20.0%
Lamb meat	1 kg	35.00	-5.4%	-7.9%
Flour	1 kg	1.75	-5.6%	-3.4%
Tomato paste	400 g	3.70	-5.6%	70.0%
Rice	1 kg	1.00	-6.7%	0.0%
Canned tuna	200 g	4.50	-7.6%	-4.6%
Eggs	30 eggs	2.13	-8.1%	-29.2%
Onions	1 kg	3.50	-9.1%	25.0%
Bread	5 pieces	1.75	-10.0%	0.0%
Tomatoes	1 kg	2.50	-10.0%	0.0%
Chickpeas	400 g	2.13	-10.3%	-41.7%
Milk	1 L	2.18	-11.5%	-39.5%
Beans	400 g	1.50	-12.5%	-30.0%
Black tea	250 g	2.25	-12.5%	-22.2%
Condensed milk	200 ml	2.88	-15.8%	-27.3%
Peppers	1 kg	8.17	-15.8%	-11.1%
Hygiene items				
Laundry powder	1 kg	2.00	7.7%	-2.8%
Toothpaste	100 ml	67.19	5.3%	-16.7%
Dishwashing liquid	1 L	1.63	5.0%	5.0%
Shampoo	250 ml	5.00	2.5%	-3.8%
Laundry detergent	1 L	7.00	0.0%	14.3%
Sanitary pads	10 pads	5.38	0.0%	-12.5%
Toothbrush	1 brush	14.25	0.0%	-19.2%
Baby diapers	30	2.00	-3.4%	-35.2%
Handwashing soap	1 bar	1.63	-7.1%	-18.8%
Other items				
Private LPG	11 kg	27.5	10.0%	No data
Bottled water	1 L	0.29	0.0%	No data
Public LPG	11 kg	5	0.0%	No data

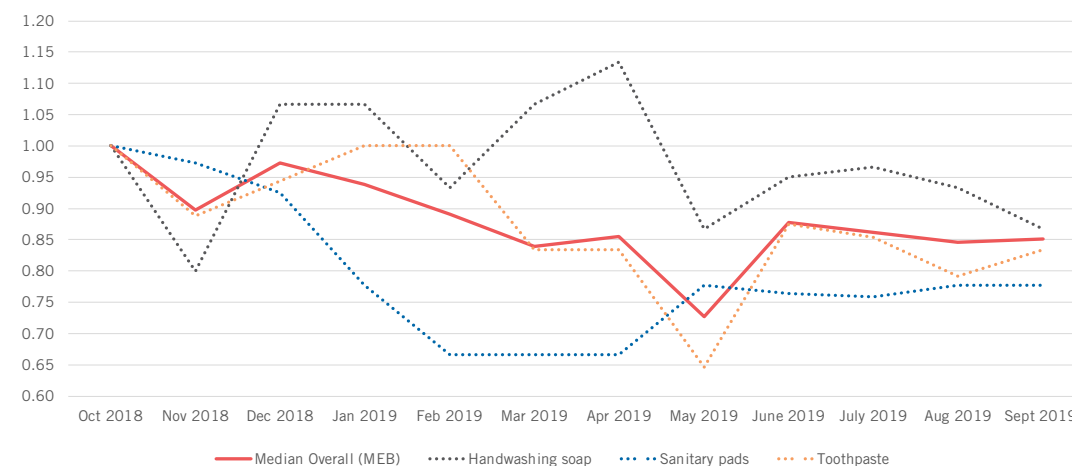
FOOD PRICES OVER TIME

Selected items (normalised, October 2018 = 1.00)⁹

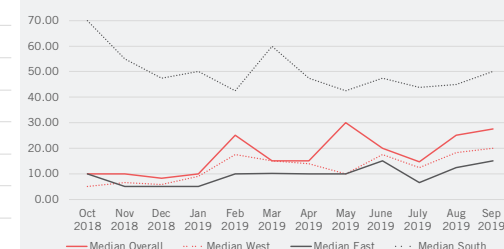


HYGIENE ITEM PRICES OVER TIME

Selected items (normalised, October 2018 = 1.00)⁹



PRICES FROM UNOFFICIAL COOKING FUEL (LPG) VENDORS (since October 2018, non-normalised)



NOTABLE MONTH-ON-MONTH CHANGES

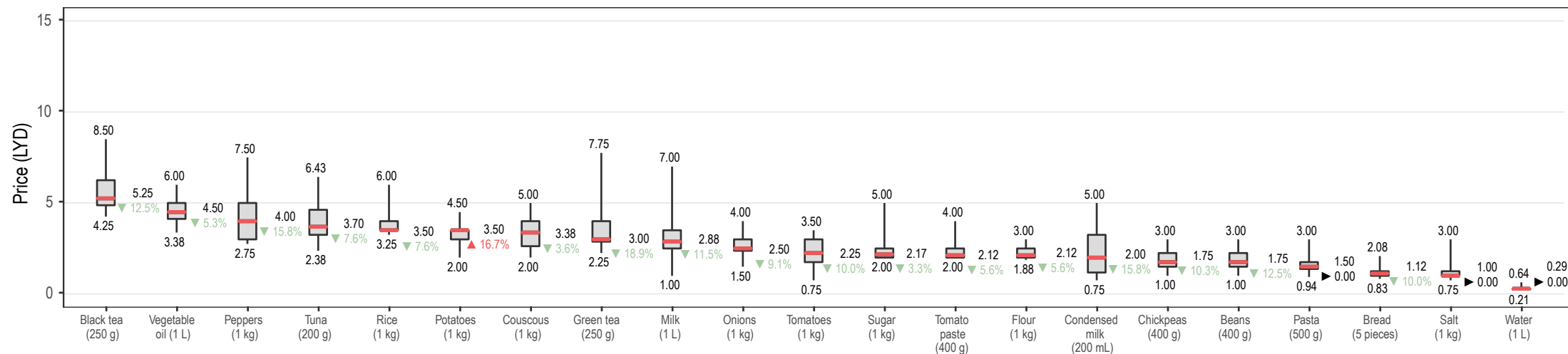
Green tea	▲ +18.9%
Chicken	▲ +16.7%
Peppers	▼ -15.8%
Condensed milk	▼ -15.8%
Black tea	▼ -12.5%

MARKET SHORTAGES

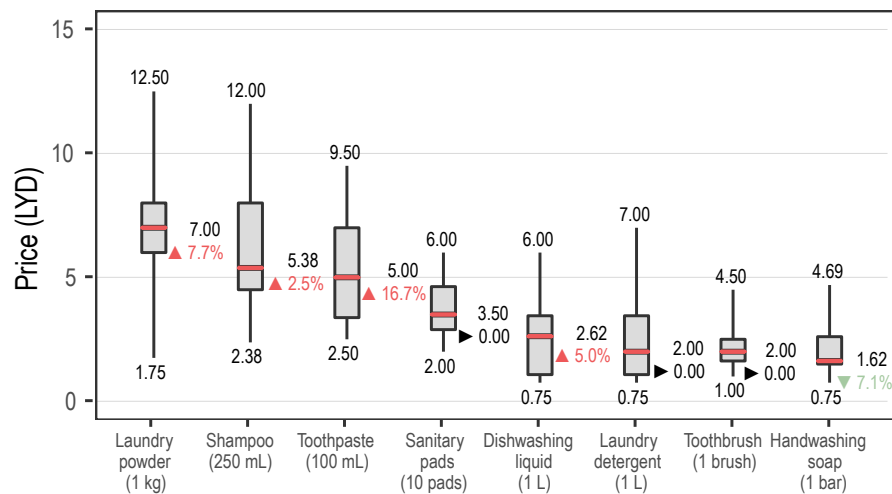
None reported

Distribution of Prices in Libya

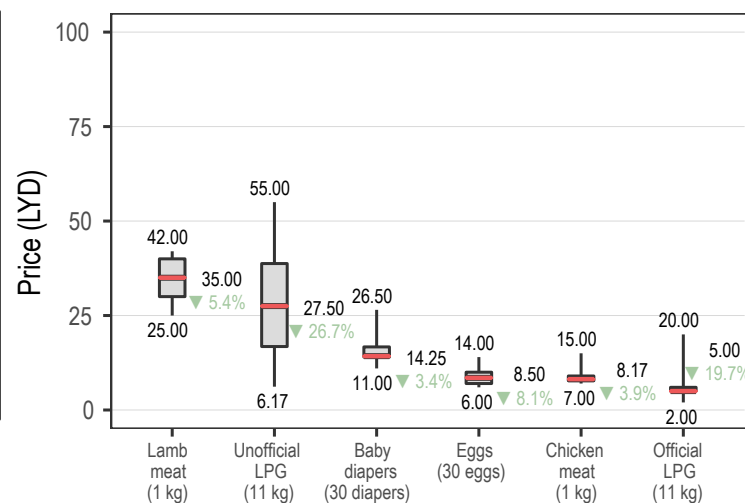
FOOD ITEMS



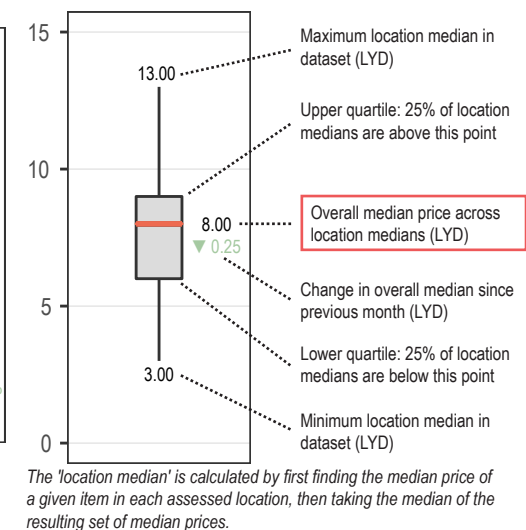
HYGIENE ITEMS



ITEMS WITH HIGHEST PRICES



How to read a boxplot



PREVIOUS JMMI OUTPUTS

Factsheets Datasets

2019

August	August
July	July
June	June
May	May
April	April
March	March
February	February
January	January

2018

December	December
November	November
October	October
September	September
August	August
July	July
June	June
May	May
April	April
March	March
February	February
January	January

2017

December	December
November	November
October	October
September	September
August	August
July	July
June	June

Trends Analyses

January–June 2018
June–December 2017

MARK-UPS FOR ALTERNATIVE MODALITIES

E-cards (credit, debit)	NA
Certified cheques	0-15%
Mobile money	0%

What is the CWG?

The Libya Cash Working Group (CWG), established in August 2016, is a community of humanitarian actors that support and coordinate cash-based interventions in Libya. The CWG, based jointly in Tripoli and Tunis, is currently led by UNHCR and co-led by Mercy Corps.

Methodology (cont. from page 1)

The methodology for the JMMI is based on purposive sampling. In each assessed market, at least four prices per item need to be collected from different shops to ensure the quality and consistency of collected data. Partner field teams, in coordination with the CWG, identify shops to assess based on the following criteria:

1. Shops need to be large enough to sell all or most assessed items.
2. Prices in these shops need to be good indicators of the general price levels in the assessed area.
3. Shops should be located in different areas within the assessed city or baladiya.

In locations where it is not possible to identify four large markets that fulfil criterion (1), smaller shops, such as grocery shops, vegetable vendors, butchers and bakeries, are added to the shop list, as long as they fit criteria (2) and (3), in order to guarantee at least four prices per item of interest. Each month, price data is collected from the same shops whenever possible to ensure comparability across months.

The CWG primarily targets urban areas throughout

Libya, aiming to ensure coverage of markets that serve as commercial hubs for surrounding regions.

Data is collected via the KoBo mobile data collection application. The CWG maintains a joint KoBo account for the JMMI. The data collection tool is published alongside the dataset every month and disseminated to the humanitarian community.

Analyses

The median prices reported in this factsheet are 'location medians', designed to minimise the effects of outliers and differing amounts of data among assessed locations. First, the median prices of all assessed items are calculated within each assessed location (city or mahalla); then, REACH calculates the median of this list of medians. All boxplots, as well as MEB and price index calculations, are created using this method.

The cost of the MEB is calculated by multiplying the median price of each item in the MEB's 'Key Elements' section by the quantity listed in the table on page 2. In cases where no median price is available for an item in a particular location, the median price for that item across the region (west, east, or south) is substituted.

Challenges and limitations

- Price data is only indicative for the time frame within which it was collected. Prices may vary during the weeks between adjacent data collection rounds.
- The data is only indicative of the general price levels in each assessed location. Representativeness on the mantika (district) level cannot be claimed. Even on the city level, price data must be interpreted with caution, particularly in larger cities with substantial variation in neighbourhoods' socioeconomic levels.
- The JMMI data collection tool requires enumerators to record the cheapest available price for each item, but does not require a specific brand, as brand availability may vary. Therefore, price comparisons

across regions may be based on slight variants of the same product.

- The JMMI does not intend to measure general inflation levels on Libyan markets. As per JMMI methodology, only the cheapest available price per item is collected, meaning that changes in middle-market and upmarket goods are not captured.

Endnotes

¹ Serraj Ministry of Finance calls for more hard currency for small business to negate black market, Libya Herald, 17th June 2019, <https://www.libyaherald.com/2019/06/17/serraj-ministry-of-finance-calls-for-more-hard-currency-for-small-business-to-negate-black-market/>

² Flash Update Murzuq, DTM (IOM), 21st September 2019, https://reliefweb.int/sites/reliefweb.int/files/resources/DTMLibya_Murzuq_FlashUpdate_2019-09-21.pdf

³ Libyan state oil firm cuts back fuel supplies to east amid battle over capital, Reuters, 6th September 2019, <https://www.reuters.com/article/us-libya-security-oil-exclusive/exclusive-libyan-state-oil-firm-cuts-back-fuel-supplies-to-east-amid-battle-over-capital-idUSKCN1VR1E9>

⁴ The cooking fuel price is calculated by taking the average of the official LPG median and the unofficial LPG median.

⁵ Official rate: Central Bank of Libya (1 September 2019), retrieved from www.cbl.gov.ly. Parallel market rates: Ewan Libya (1 September 2019), retrieved from www.ewanlibya.ly. The rates from 1 August 2019 and 1 September 2019 were used for the calculation of the monthly changes.

⁶ The 'Optional Elements' section of the MEB includes basic expenditures that are incurred by some, but not all, Libyan households, as well as expenditures that extend beyond basic survival and dignity needs. They are not included in the JMMI's MEB calculations.

⁷ The 20% float includes expenses on healthcare, medicine, education, utilities, transportation, and communications.

⁸ The MEB price index was normalised by setting September 2018 as the baseline and dividing each month's price by the price in September 2018.

⁹ The food and hygiene prices were normalised by setting October 2018 as the baseline and dividing each month's price by the price in October 2018.

¹⁰ The unofficial LPG prices were normalised by setting October 2018 as the baseline and dividing each month's price by the price in October 2018.

REACH, a joint initiative of ACTED, IMPACT Initiatives, and UNOSAT, facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions. In Libya, REACH operates fully under the oversight of ACTED, and its activities are conducted in cooperation with inter-agency aid coordination mechanisms. For further information on this document, contact libya@reach-initiative.org.