

Libya Joint Market Monitoring Initiative (JMMI)

1–7 May 2018

Libya Cash & Markets
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 & Markets Working Group (CMWG) in June 2017. The initiative is guided by the CMWG Markets Taskforce, led by REACH and supported by the CMWG members. It is funded by OFDA and UNHCR.

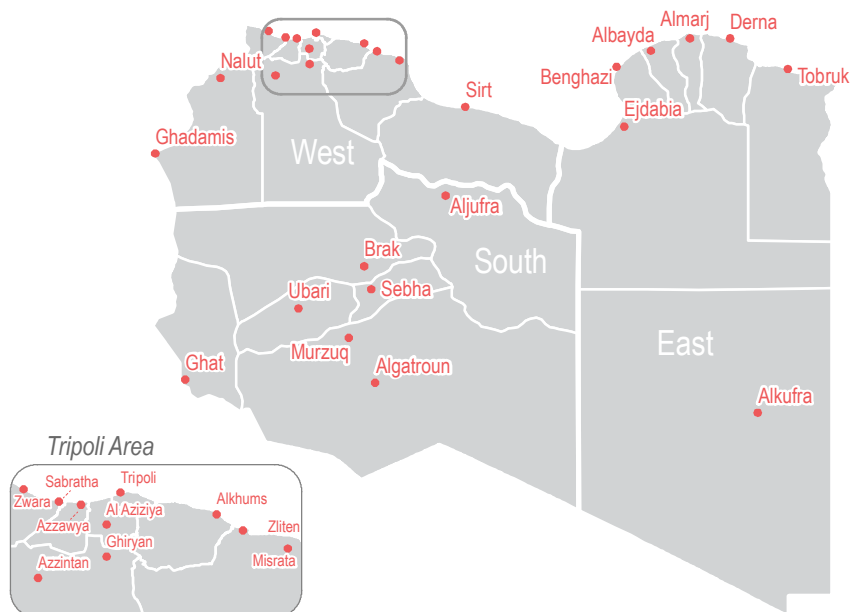
Markets in key urban areas across Libya are assessed on a monthly basis. In each location, field teams record prices and availability of basic food and non-food items (NFI) sold in local shops and markets.

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 KoBo 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

- In May 2018, an updated **Minimum Expenditure Basket (MEB)**, endorsed by the CMWG and the Inter-Sector Coordination Group (ISCG), was incorporated into the JMMI. Across all assessed locations, **the median cost of the MEB in May 2018 was 782.46 LYD**, with costs slightly lower in the west and significantly higher in the south.
- Across Libya, **the value of REACH's price indices increased only slightly between April and May**. The median Food Price Index rose by 1.7%, and the median NFI Price Index rose by 4.6%. Food items accounted for 88% of the cost of the MEB's key elements.
- In an effort to monitor the full MEB, **cooking fuel (LPG)** was added to the JMMI in May. Subsidised LPG is available through publicly owned shops, generally at 2 LYD per 11 kg cylinder plus a small mark-up. However, **supplies are often inadequate**, so many households turn to the parallel market to meet their full need.
- The median price of LPG across assessed public and parallel-market vendors in the west was 5.00 LYD, and in the east 3.67 LYD, due to these areas' comparatively better access to subsidised fuel. **In the south, meanwhile, the median price was more than 10 times higher** at 46.25 LYD, reflecting a months-long fuel crisis that was only partly alleviated by shipments of fuel from coastal refineries in mid-April.² **Median LPG prices were even higher in Derna (68.75 LYD)** due to its ongoing military encirclement.
- After two months of stability, **exchange rates began to rise again**. The parallel-market USD/LYD exchange rate increased by 4.6% between 1 April and 1 May, a trend that continued throughout May. Starting in late May, rates started to again show hints of the volatility they displayed in February.

JMMI KEY FIGURES

Data collection from 1-7 May 2018

- 5 participating agencies (ACTED, DRC, Mercy Corps, REACH, WFP)
- 27 assessed cities
- 35 assessed items
- 445 assessed shops

EXCHANGE RATES¹

1.342 USD/LYD official ▲ 0.2%	6.550 USD/LYD parallel market ▲ 4.6%	7.914 EUR/LYD parallel market ▲ 2.7%
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Reported changes are month-on-month

MEDIAN COST OF MEB BY REGION

Overall	782.46 LYD
West	743.48 LYD
East	788.35 LYD
South	990.94 LYD

ITEMS ABSENT FROM MARKETS

None reported

Access the **JMMI online dashboard**

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 Elements³

Water (drinking and domestic use)	2,790 L
Median rent for 3-rm flat	1 month
Float ⁴	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 CMWG 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

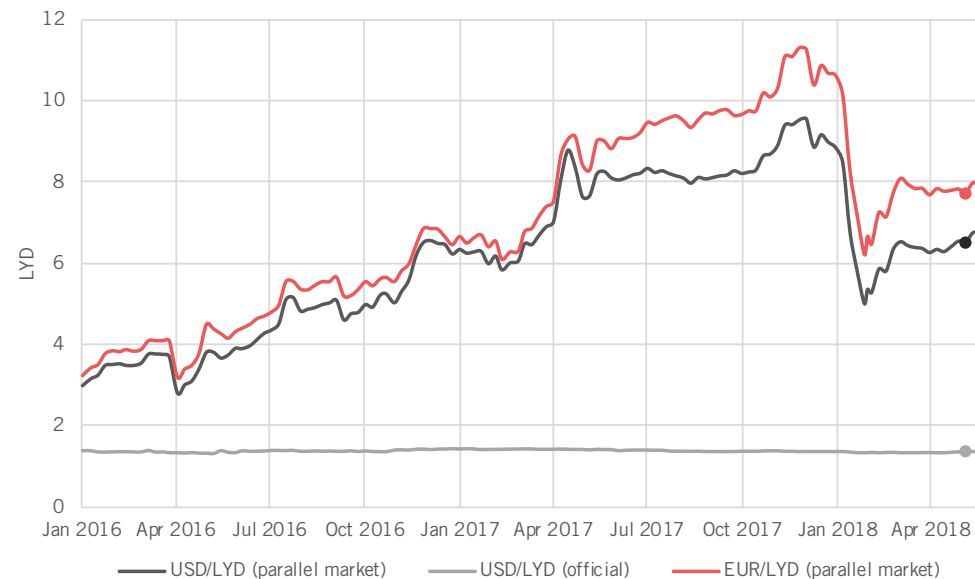
782.46 LYD

MEDIAN MEB COST BY LOCATION

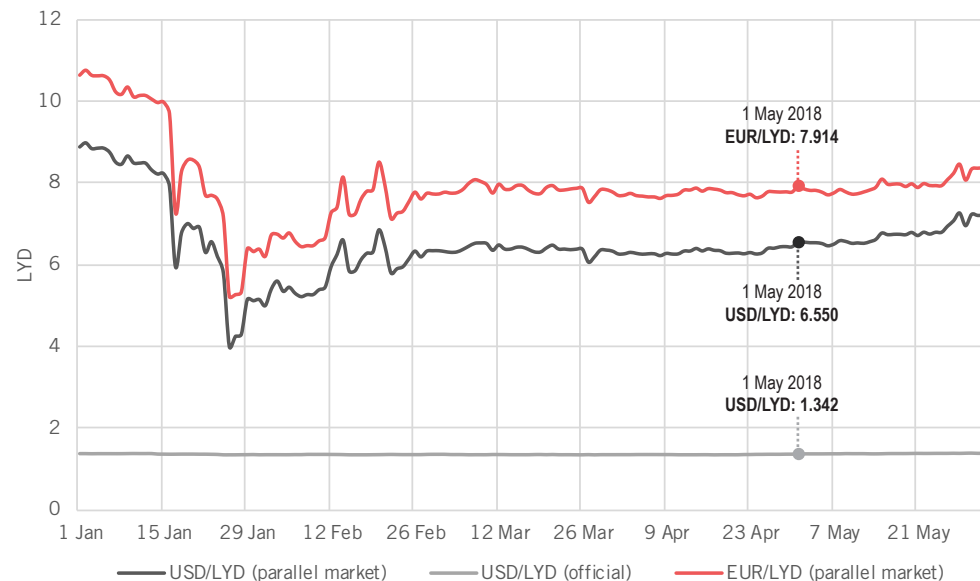
Location	Cost of MEB key elements (LYD)
Nalut	864.48
Zwara	827.30
Ghadamis	796.81
Azzawya	785.77
Al Aziziya	778.78
Sabratha	775.90
Zliten	749.00
Ghriyan	742.56
Azzintan ⁵	730.12
Tripoli ⁶	714.20
Alkhums	712.56
Sirt	697.24
Misrata	676.10
Median West	743.48
Derna	998.71
Alkufra	969.10
Albayda	822.75
Tobruk	794.05
Almarj	783.23
Benghazi	753.80
Ejdabia	685.22
Median East	788.35
Algatroun	1126.91
Ubari	1103.85
Murzuq	1067.80
Ghat	1019.25
Sebha ⁵	957.73
Aljufra	882.34
Brak	857.70
Median South	990.94
Median Overall	782.46

EXCHANGE RATES OVER TIME¹

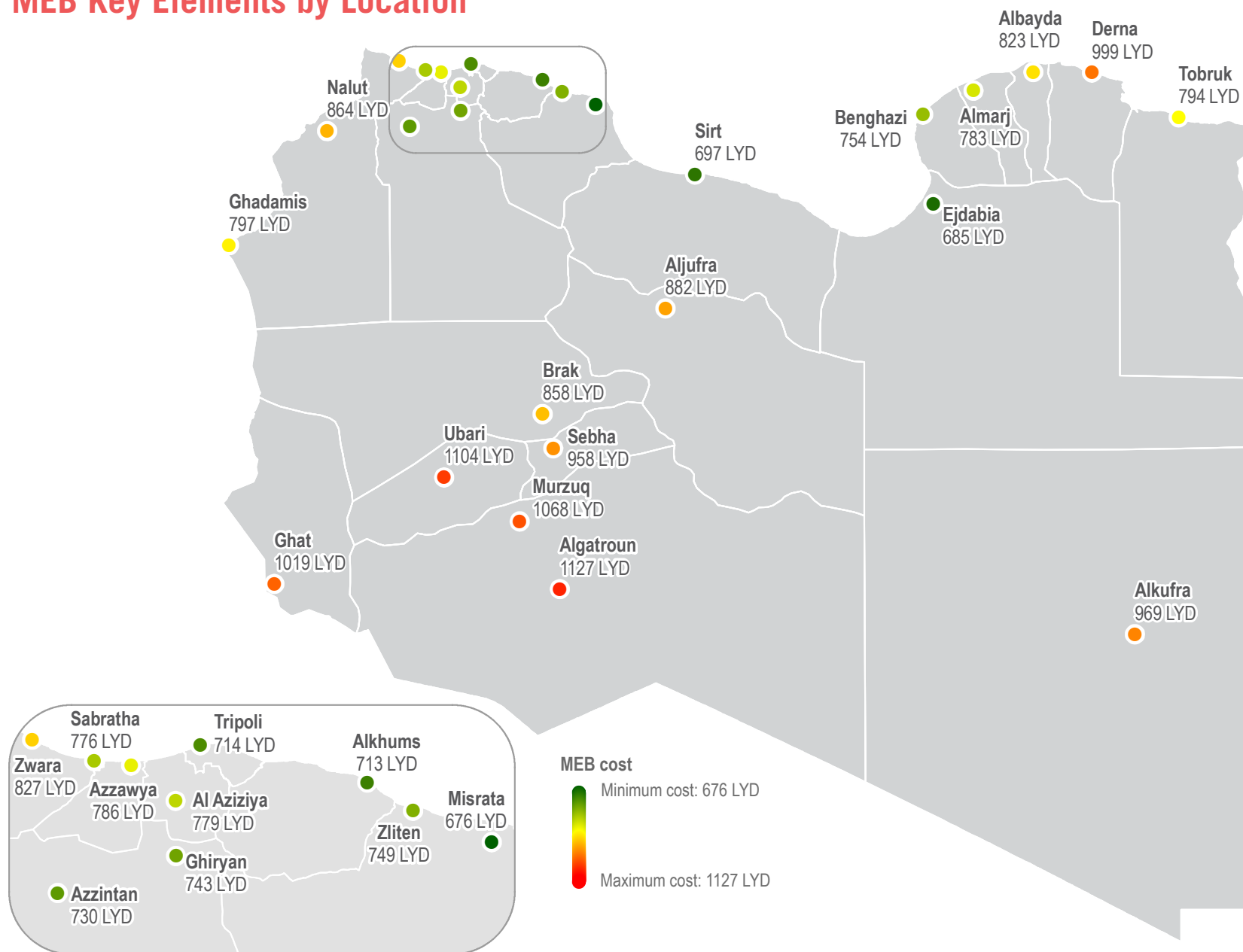
Since January 2016



Since January 2018



Cost of MEB Key Elements by Location

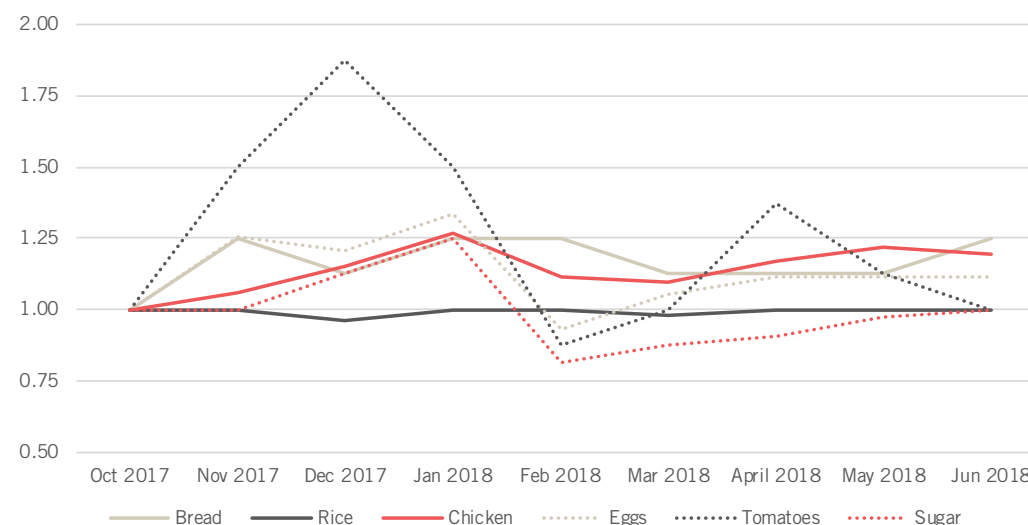


PRICES OF MONITORED ITEMS

Item	Unit	Median price (in LYD)	Change since Apr 2018 (in %)	Change since Oct 2017 (in %)
Food items				
Beans	400 g	2.50	-4.8%	0.0%
Black tea	250 g	6.75	-3.6%	-10.0%
Bread	5 pc	1.13	0.0%	+12.5%
Chicken	1 kg	12.75	+4.1%	+22.0%
Chickpeas	400 g	3.00	0.0%	+14.3%
Condensed milk	200 mL	2.75	+10.9%	+22.2%
Couscous	1 kg	3.38	0.0%	-15.6%
Eggs	30 eggs	12.00	0.0%	+11.6%
Flour	1 kg	2.20	-2.2%	+46.7%
Green tea	250 g	5.00	0.0%	0.0%
Lamb	1 kg	38.00	+1.3%	+28.3%
Milk	1 L	4.75	+11.8%	+11.8%
Onions	1 kg	2.00	0.0%	0.0%
Pasta	500 g	1.50	0.0%	-14.3%
Peppers	1 kg	4.50	-10.0%	+20.0%
Potatoes	1 kg	2.00	+14.3%	-33.3%
Rice	1 kg	3.50	0.0%	0.0%
Salt	1 kg	1.13	+12.5%	+12.5%
Sugar	1 kg	3.90	+7.6%	-2.5%
Tomato paste	400 g	1.25	0.0%	0.0%
Tomatoes	1 kg	2.25	-18.2%	+12.5%
Tuna (canned)	200 g	3.88	-0.4%	-6.1%
Vegetable oil	1 L	3.75	+7.1%	0.0%
Hygiene items				
Baby diapers	30 pc	22.00	+10.0%	+10.0%
Dishwashing liquid	1 L	2.50	-16.7%	-9.1%
Handwashing soap	1 bar	2.00	+60.0%	+45.5%
Laundry detergent	1 L	1.75	+7.7%	No data
Laundry powder	1 kg	7.20	0.0%	-4.0%
Sanitary pads	10 pads	4.00	0.0%	+3.2%
Shampoo	250 mL	5.60	-13.9%	-21.4%
Toothbrush	1 pc	2.48	+10.0%	+10.0%
Toothpaste	100 mL	6.00	+9.1%	-7.7%
Other items				
Bottled water	1 L	2.00	No data	No data
Cooking fuel (LPG)	11 kg	8.67	No data	No data

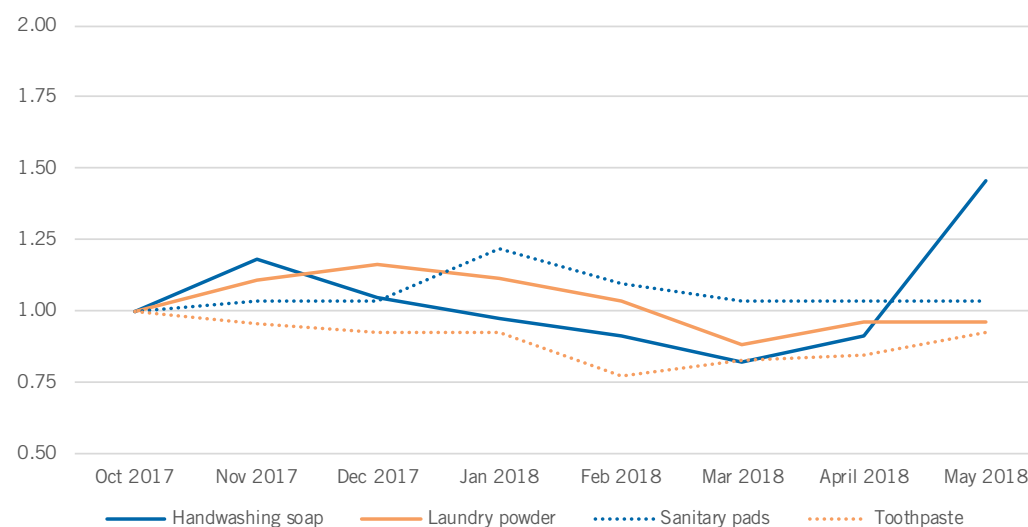
FOOD PRICES OVER TIME

Selected items (normalised, October 2017 = 1.00)⁶

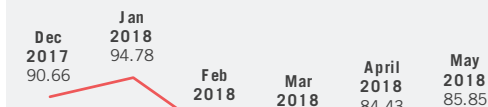


HYGIENE ITEM PRICES OVER TIME

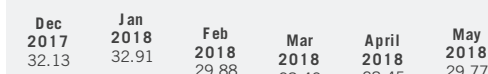
Selected items (normalised, October 2017 = 1.00)⁶



FOOD PRICE INDEX OVER TIME



NFI PRICE INDEX OVER TIME



NOTABLE MONTH-ON-MONTH CHANGES

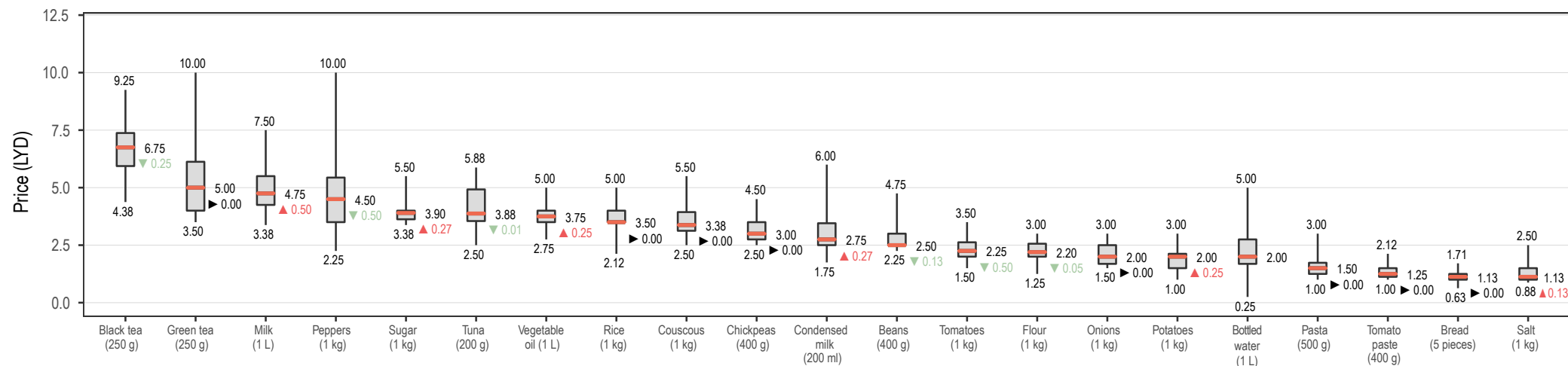
Handwashing soap	+60.0% ▲
Potatoes	+14.3% ▲
Shampoo	-13.9% ▼
Dishwashing liquid	-16.7% ▼
Tomatoes	-18.2% ▼

ITEMS ABSENT FROM MARKETS

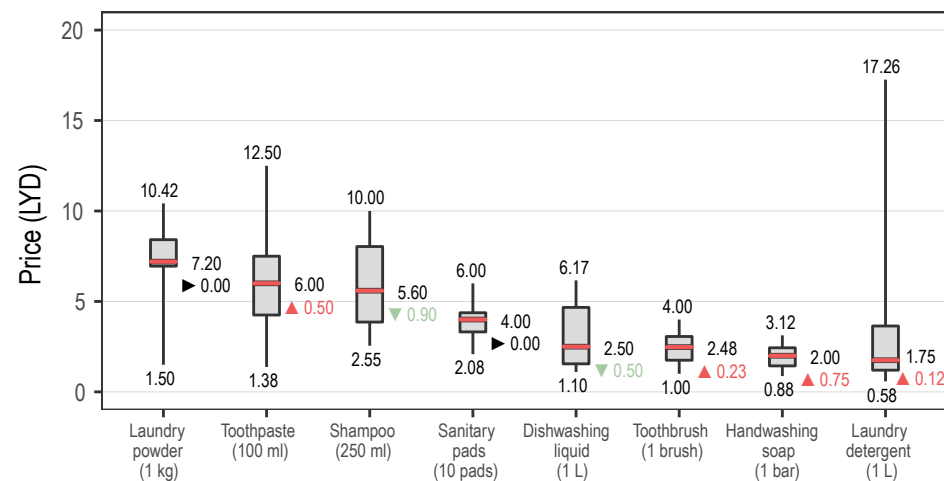
None reported

Distribution of Prices in Libya

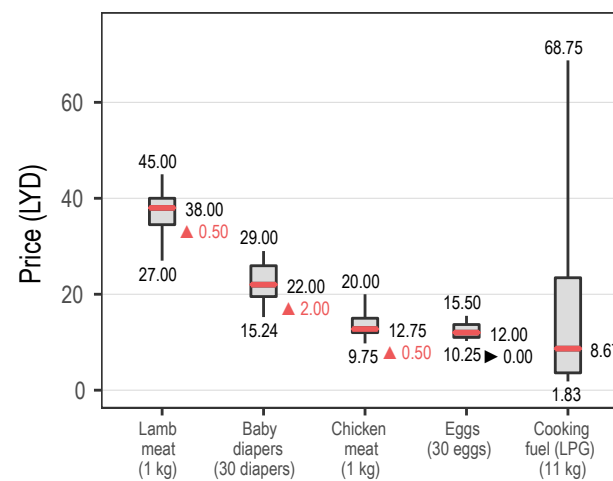
FOOD ITEMS



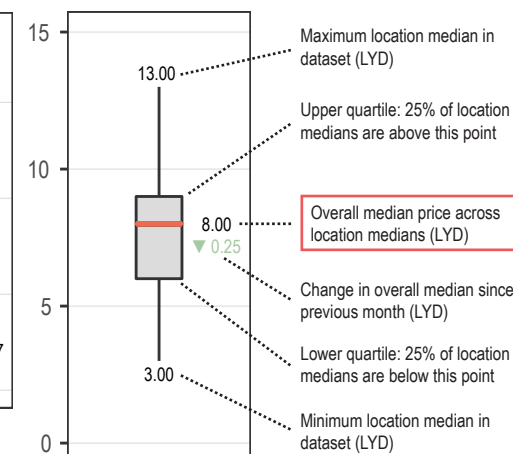
HYGIENE ITEMS



ITEMS WITH HIGHEST PRICES



How to read a boxplot



The 'location median' is calculated by first finding the median price of a given item in each assessed location, then taking the median of the resulting set of median prices.

PREVIOUS JMMI OUTPUTS

Factsheets

2018

April
March
February
January

Datasets

April
March
February
January

2017

December
November
October
September
August
July
June

December
November
October
September
August
July
June

Trends Analyses

June–December 2017

PAYMENT MODALITIES ACCEPTED IN ASSESSED SHOPS (% of shops)

Cash	99%	1%
Bank transfer	6%	94%
Certified cheque	3%	97%
Store credit	2%	98%
Credit/debit card	1%	99%
Mobile money	0%	100%
Gold	0%	100%
Barter	0%	100%
Online payments	0%	100%
Other modalities	0%	100%

■ Modality accepted ■ Modality not accepted

MARK-UPS FOR ALTERNATIVE MODALITIES

E-cards (credit, debit)	30–40%
Certified cheques	10–40%
Mobile money	N/A

What is the CMWG?

The Libya Cash & Markets Working Group (CMWG), established in August 2016, is a community of humanitarian actors that support and coordinate cash-based interventions in Libya. The CMWG, 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 CMWG, 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 CMWG 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 every month. The CMWG 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.

As trends in the cost of the MEB cannot yet be analysed, REACH continues to track month-on-month changes in its former price indices. The Food Price Index is calculated by adding the median prices of one unit of each monitored food item (excluding lamb meat due to its high price); the NFI Price Index, by adding the median prices of one unit of each monitored hygiene item (excluding laundry detergent and baby diapers due to their high prices). 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 between

data collection rounds.

- The data is only indicative of the general price levels in the assessed cities – 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' socio-economic levels.
- The JMMI data collection tool requests the cheapest available brand of each item to be recorded, but does not require a specific brand, as availability varies. Therefore, price comparisons across regions may be based on slightly varying products.
- 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 Official rate: Central Bank of Libya (1 May 2018), retrieved from www.cbl.gov.ly. Parallel market rates: Ewan Libya (1 May 2018), retrieved from www.ewanlibya.ly. The rates from 1 April and 1 May 2018 were used for the calculation of the monthly changes.

² Libya Observer (11 April 2018), *Fuel finally arrives in Sabha*, retrieved from www.libyaobserver.com.

³ 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.

⁴ The 20% float is designed to cover regular expenditures that do not fall neatly into any other category. This includes expenses on healthcare, medicine, education, utilities, transportation and communications.

⁵ Due to partners' operational constraints, no price data was collected for cooking fuel (LPG) in Azzintan, Sebha or Tripoli. To calculate the full MEB cost for these areas, the price of LPG was imputed based on other price data collected in the same region.

⁶ Prices were normalized by setting October 2017 as the baseline and dividing each month's price by the price in October.