

Joint Market Monitoring Initiative (JMMI)

18th January- 1st February 2023| Libya

SITUATION OVERVIEW

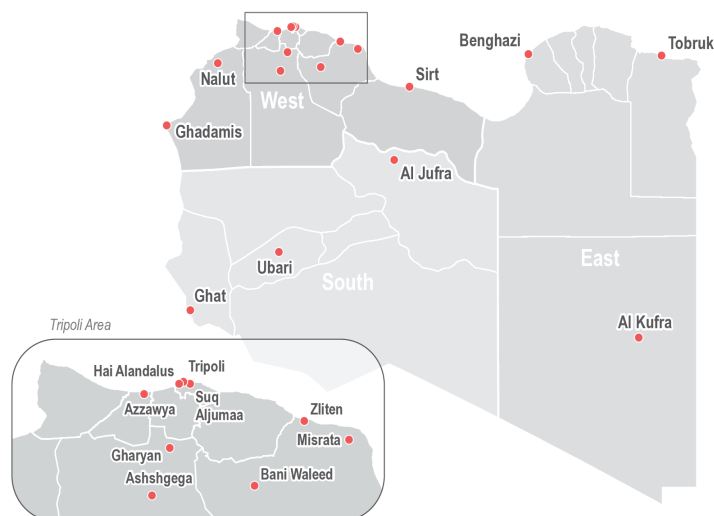
INTRODUCTION

- 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 led by REACH and supported by the CMWG members. It is funded by the Office of U.S. Bureau of Humanitarian Assistance (BHA) and the United Nations High Commissioner for Refugees (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, normalised prices, cross-checked outliers and calculated the median cost of the MEB in each assessed market.
- More details are available in the Methodology section of the Appendix.

Map 1: Coverage in January 2023



JMMI KEY FINDINGS

- The cost of the MEB across Libya remained stable overall with a -0.8% decrease between December 2022 and January 2023. However, the cost of the hygiene proportion of the MEB increased by +12.8% and the fuel proportion with +30.0%. The cost of the MEB in January 2023 was +50.5% higher than pre-COVID-19 levels in March 2020.
- The monthly decrease in the price of the food proportion of the overall MEB was mainly driven by a decrease in price of tomatoes (-40.7%), vegetable oil (-10.2%), and potatoes (-10.0%). Other food items showed an increase in price, such as condensed milk (+17.6%), lamb meat (+15.1%) and green tea (+13.3%) (See page 4).
- The monthly increase of +12.8% of the hygiene component of the MEB from 84.84 LYD to 95.71 was mainly driven by the spike in price of laundry detergent (+66.1%), hand-washing soap (+38.0%) and hand sanitiser (+19.6%), balanced out by the decrease in price of shampoo (-15.3%), toothpaste (-5.7%), and bleach (-3.4%). The cost of the hygiene portion of the MEB in January 2023 was +58.8% higher than pre-COVID-19 levels in March 2020.
- Pharmaceutical items generally showed an increase in price, such as vitamin B (+125.6%), metoclopramide (+7.2%), amoxicillin (+6.7%), and ibuprofen (+5.8%) (See page 2).
- The price of the fuel component of MEB shifted from 25.0 LYD to 32.5 LYD.
- According to REACH enumerators the 200% spike in price of unofficial gasoline might be due to the efforts from the authorities to stop the selling of unofficial gasoline. This seems to have resulted in an increased demand at the official stations and consequently a steep price increase at the unofficial stations, while the official gasoline price remains fixed.

JMMI KEY FIGURES

January 2023 data collection from
18th January to the 1st February 2023

2 participating agencies: (REACH, WFP)

22 assessed cities
56 assessed items
327 assessed shops

KEY MONTHLY CHANGES IN MEB

Median cost of overall MEB

Jan-23 947.03 LYD ▼ -7.89 LYD ▼ -0.8%

MEDIAN COST OF MEB BY REGION IN JANUARY 2023

West	953.17 LYD	▼ -1.6%
East	896.40 LYD	▲ +1.8%
South	956.65 LYD	▼ -8.4%

MARKET SHORTAGES

None reported

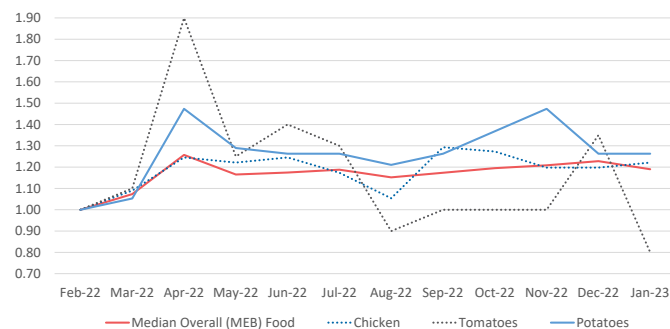
Reported changes are month-on-month

[Access the JMMI online dashboard](#)

PRICES OF MONITORED ITEMS

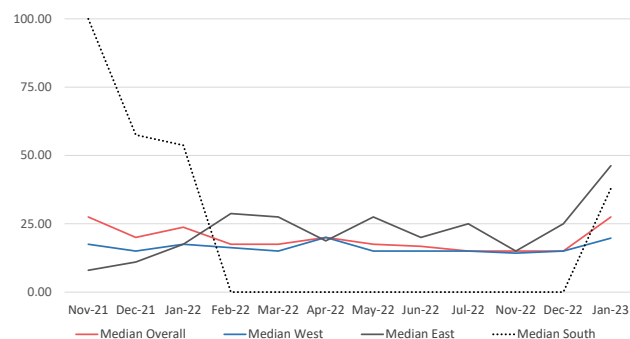
Item	Unit	Median price (LYD)	Change since December 2022	Change since March 2020
Food items				
Tomatoes	1 kg	2.00	-40.7%	0.0%
Green tea	250 g	6.38	+13.3%	+112.5%
Vegetable oil	1 L	10.30	-10.2%	+128.8%
Black tea	250 g	7.00	0.0%	+40.0%
Onions	1 kg	3.00	0.0%	0.0%
Rice	1 kg	4.25	-11.7%	+30.8%
Eggs	30 eggs	15.00	+5.3%	+50.0%
Pasta	500 g	2.94	0.0%	+96.0%
Milk	1 L	4.25	-5.6%	+21.4%
Beans	400 g	2.88	-2.2%	+76.9%
Bread	5 pieces	1.67	0.0%	+48.4%
Chickpeas	400 g	2.63	-8.9%	+75.0%
Peppers	1 kg	4.50	-10.0%	+12.5%
Potatoes	1 kg	3.00	0.0%	0.0%
Sugar	1 kg	4.00	0.0%	+68.4%
Tomato paste	400 g	4.00	0.0%	+100.0%
Tuna	200 g	5.89	-1.3%	+96.3%
Condensed Milk	200 mL	2.94	+17.6%	+47.0%
Couscous	1 kg	7.00	+3.7%	+100.0%
Lamb meat	1 kg	53.50	+15.1%	+50.7%
Flour	1 kg	3.40	-5.8%	+70.0%
Chicken meat	1 kg	12.75	+2.0%	+36.0%
Salt	1 kg	1.00	0.0%	0.0%
Hygiene items				
Toothbrush	1 brush	2.88	+7.1%	+43.8%
Laundry deter-	1 L	10.72	+66.1%	+376.2%
Toothpaste	100 mL	6.25	-5.7%	+56.3%
Baby diapers	30	20.10	+5.1%	+34.0%
Handwashing	1 bar	3.11	+38.0%	+107.0%
Laundry powder	1 kg	8.33	+18.3%	+28.2%
Sanitary pads	10 pads	4.17	-3.1%	+19.1%
Shampoo	250 mL	6.00	-15.3%	+18.2%
Bleach	1 L	10.84	-3.4%	No data
Hand Sanitiser	1 L	29.00	+19.6%	No data
Dishwashing	1 L	4.55	+0.6%	+70.1%
Other items				
Water	1 L	0.29	0.0%	0.0%

FLUCTUATION OF FOOD ITEM PRICES OVER TIME

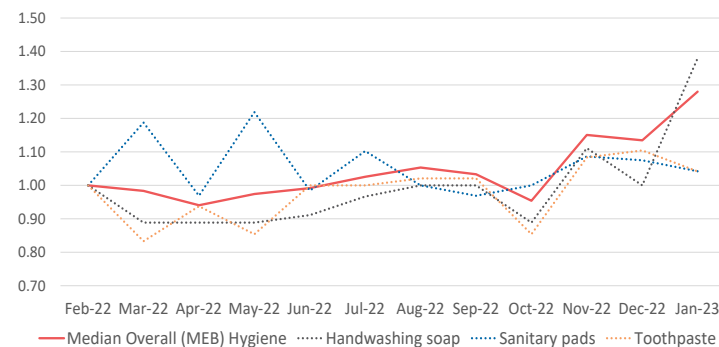
Selected items (normalised, February 2022 = 1.00)¹

PRICES FROM UNOFFICIAL COOKING FUEL VENDORS (11 KG LIQUEFIED PETROLEUM GAS (LPG) CYLINDER)

(Since February 2022, Non-normalized)



FLUCTUATION OF HYGIENE ITEMS PRICES OVER TIME

Selected items (normalised, February 2022 = 1.00)²

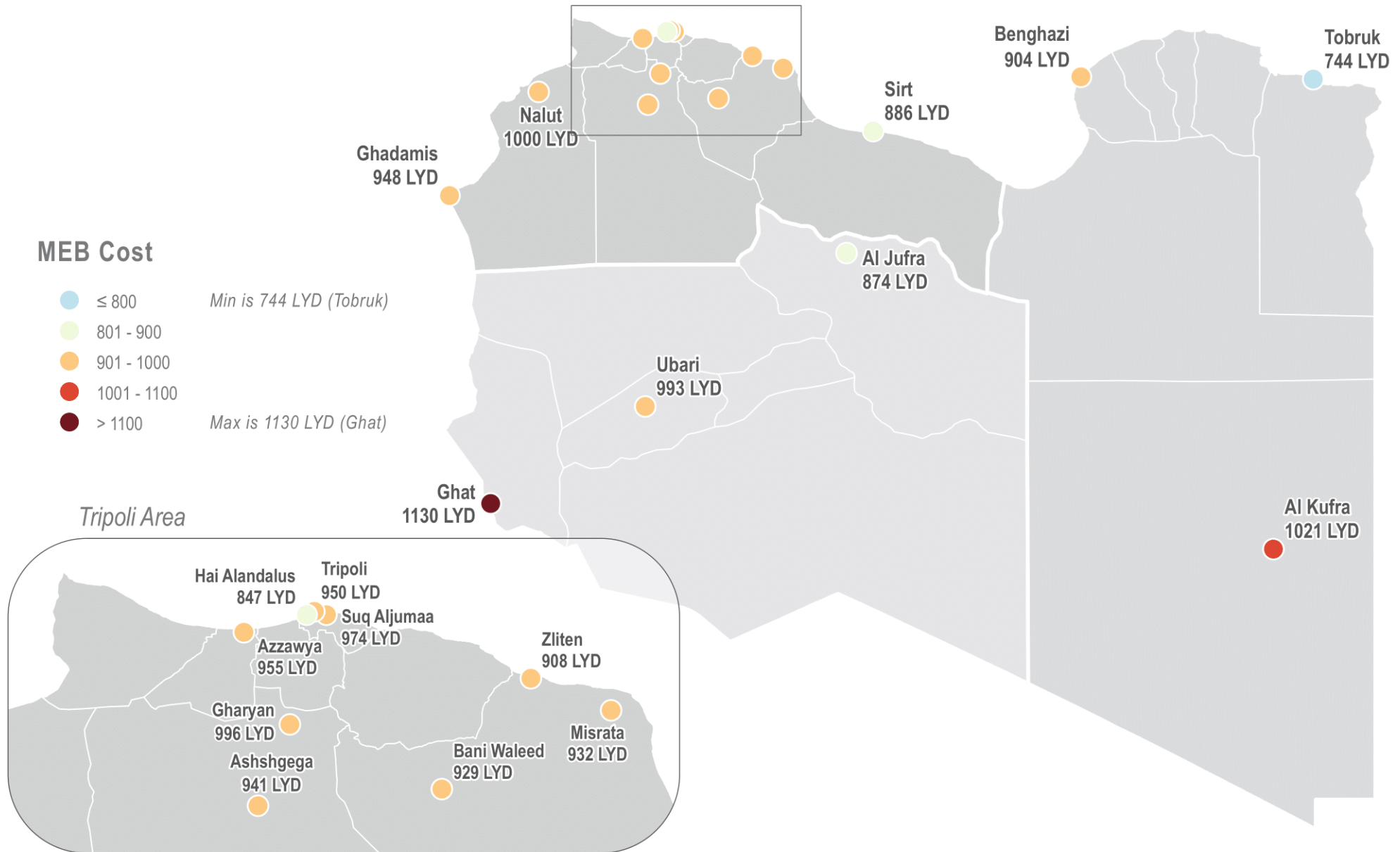
PRICES OF FUEL AND HEALTH ITEMS

Item	Unit	Median price in January 2023 (LYD)	Change between Dec 2022-Jan 2023	Change since March 2020
Fuel items				
Unofficial LPG	11 kg	27.50	+37.5%	-21.4%
Unofficial Gasoline	1 Litre	2.25	+200.0%	No data
Official LPG	11 kg	5.00	0.0%	0.0%
Official Gasoline	1 Litre	0.15	0.0%	No data
Pharmaceutical items				
Paracetamol	400mg [20]	6.00	-20.0%	-13.5%
Vitamin B	[40 pack]	44.00	+125.6%	+329.3%
Amoxicillin	500mg [21]	12.00	+6.7%	+33.3%
Metoclopramide	10mg [40 pack]	17.16	+7.2%	+71.6%
Ibuprofen	400mg [20]	7.62	+5.8%	+38.5%

NOTABLE MONTH-ON-MONTH CHANGES

Unofficial gasoline	▲ +200.0%
LPG	▲ +48.9%
Laundry detergent	▲ +66.1%
Vitamin B	▲ +125.6%

Map 2: Cost of MEB Key elements in January 2023



MINIMUM EXPENDITURE BASKET**Key Elements: Food Items**

Bread	32 kg	Tomatoes	10 kg
Rice	10.5 kg	Potatoes	12 kg
Pasta	9.5 kg	Onions	7 kg
Couscous	5.5 kg	Peppers	4.5 kg
Beans	6 kg	Tomato paste	6 kg
Chicken	7.5 kg	Black tea	2 kg
Tuna	4 kg	Vegetable oil	5 l
Eggs	4 kg	Sugar	2 kg
Milk	8.5 l	Salt	1 kg

Key Elements: Non-Food Items

Bathing soap	1.4 kg (9 150-g bars)
Toothpaste	0.5 kg (5 100-g tubes)
Laundry detergent	1.3 l
Dishwashing liquid	1.3 l
Sanitary pads	4 packs of 10
Cooking fuel (LPG)	22 kg (2 11-kg refills)

Optional Elements

Water (drinking use only)	458 l
Median rent for 3-rm flat	1 month

The Minimum Expenditure Basket (MEB)

represents the minimum culturally adjusted group of items required to support a five-person Libyan household (HH) 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.

MEDIAN MEB COST BY LOCATION

Location	Cost of MEB January 2023 (LYD)	Change between Dec 2022- January 2023	Change since March 2020 (compared to January 2023)
Nalut	999.58	+0.8%	+36.6%
Ghiryan	995.86	-1.4%	+42.7%
Ghadamis	947.70	-8.1%	+38.7%
Azzawya	954.83	-5.3%	+74.9%
Sirt	885.65	-5.9%	+46.3%
Misrata	932.37	-2.6%	+66.3%
Ashshgega	940.91	-2.8%	+45.7%
Zliten	907.72	-3.5%	+47.5%
Tripoli	949.66	+8.5%	+45.0%
Bani Waleed	929.50	+14.4%	+55.6%
Median West	953.17	-1.6%	+52.6%
Benghazi	903.99	+1.7%	+47.7%
AlKufra	1020.55	+5.9%	+56.4%
Tobruk	744.21	-8.4%	+18.4%
Median East	896.40	+1.8%	+42.3%
Ghat	1130.08	-1.2%	-1.3%
Ubari	992.64	-4.0%	-9.0%
Aljufra	873.73	-7.4%	+13.2%
Median South	956.65	-8.4%	+8.8%
Median Overall	947.03	-0.8%	+50.5%

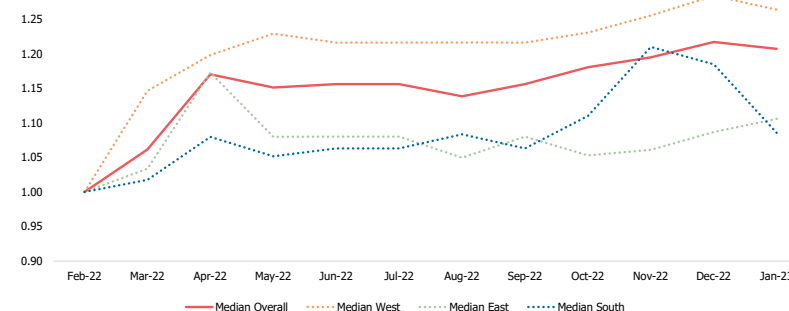
COST OF MEDIAN OVERALL MEB IN JANUARY 2023**947.03 LYD**

Change since
December 2022
▼ -7.89 LYD
(-0.8%)

Change since
March 2020
▲ +317.57 LYD
(+50.5%)

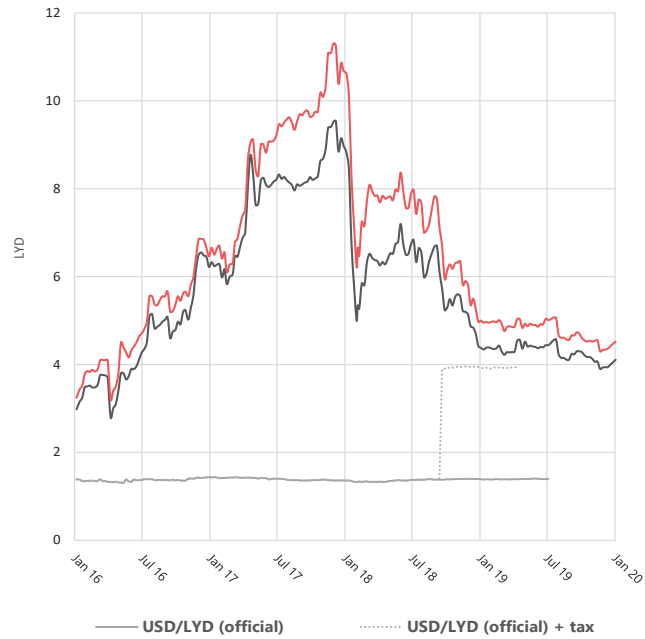
MEB PRICE INDEX

Since February 2022 (normalised, February 2022 = 1.00)

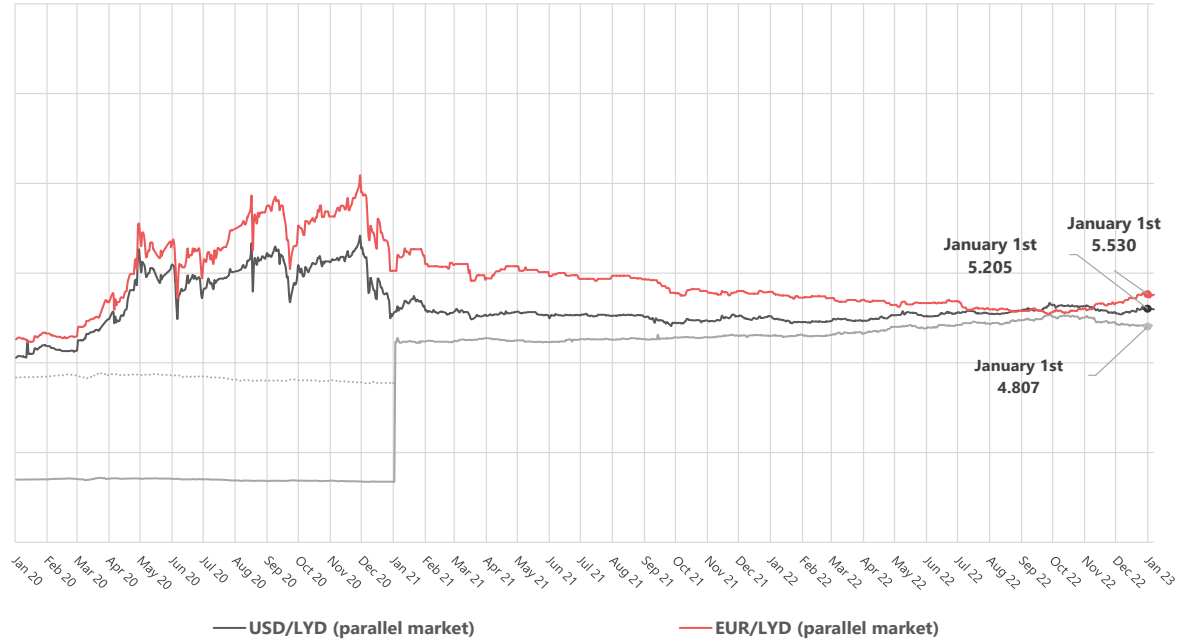


EXCHANGE RATES OVER TIME

January 2016-January 2020



Since March 2020



EXCHANGE RATES

4.807
USD/LYD
official
▼-1.5%

5.205
USD/LYD
parallel market
▲+2.0%

5.530
EUR/LYD
parallel market
▲+3.8%

LIQUIDITY AND FINANCIAL INFRASTRUCTURE DECEMBER 2022

METHODOLOGY OVERVIEW

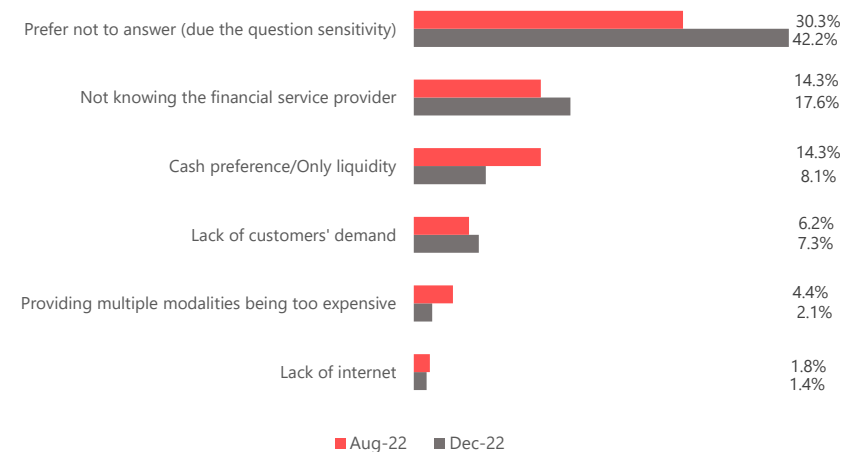
- Between the 3rd and 14th of December 2022, JMMI collected a series of additional data on the ability to access cash and payment modalities from 630 vendors and 673 customers across 40 urban areas.
- Due to non-probability sampling, findings are indicative only. For more information on the methodology, please refer to the appendix.

Vendor key informant interviews

- In a financial system that has been exploited by parallel market actors profiting from the limited availability of physical LYD³ vendor KIs access to cash remains important. Similarly to August 2022 (86.4%), in December 2022, most vendors (87.8%) reported being fully able to access enough cash to make their necessary payments. That is explained by the cash being the lifeblood of every business and having ample cash on hand allowing suppliers, employees and others to be paid on time.⁴ Other vendor KIs reported being partially able to access enough cash (11.1%).
- The parallel market is central to the Libyan economy, whereas commercial banks have a limited role.⁵ This is reflected in the cash modality payment being the most widely used by customers in the shops as reported by vendor KIs. In December 2022 (100%), similarly to August 2022 (99.8%), the cash payment modality remains the most widely used by customers in the shops as reported by vendor KIs. In December 2022 interviewed vendors reported that their customers used credit and debit cards (12.9%), bank transfers (6.2%), cheques (5.1%), mobile money (4.6%), ATIB cards (3.7%) and credit (1.1%). These percentages reflect, again, the cash moving through the closed circuit supply chain within Libya.
- When asking the interviewed vendors about the barriers to using multiple payment modality types, vendor KIs reported not knowing the relevant financial service providers; their preference to cash only; lack of demand and providing multiple payment modalities being too expensive. Most vendor KIs preferred not to answer the question (**See graph**). The barriers and reluctance to introduce multiple payment modalities may be explained by the financial risk introducing new payment methods and the *“need to know to what extent a payment method will influence the diversity of use of other payment methods, how much it will replace the existing methods”*⁶ which is mainly the cash payment modality. Furthermore, the use of multiple methods allows for diversification in the timing of purchase financing: cash is immediate and credit cards allow a delay in the billing cycle.
- Similar to August 2022, more than half of vendors preferred to not answer how frequently they deposit sales revenues in the bank in December 2022 (57.5% in

August compared to 52.4% in December). This is due to the lack of trust in banks and their ability to ensure cash flow into the society, which has resulted in the cash circulation failure in Libya.⁷ Thus, many vendors prefer to use the parallel market for transactions or pay wholesalers in cash,⁸ which inherently reduces the number of vendors depositing cash in banks. This is reflected in the sensitivity of the question and the high proportion of vendors preferring not to answer the question on frequency of deposits. In addition, some vendors rely more on the parallel markets when it comes to financial transactions providing financial services of transfers without restrictions.⁹

% of vendor KIs reporting on barriers to supporting multiple payment modalities*



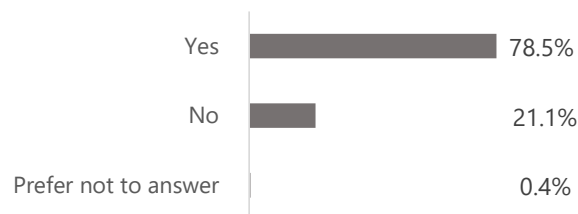
* This was a multiple choice question.

LIQUIDITY AND FINANCIAL INFRASTRUCTURE DECEMBER 2022

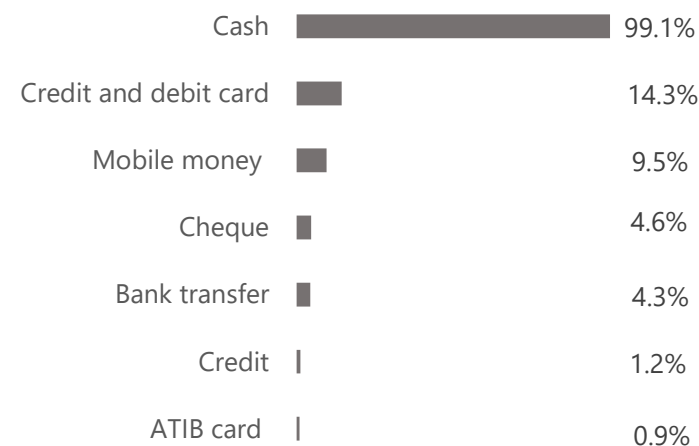
Customer key informant interviews

- In December 2022, cash remained the most commonly used payment modality by customers (99.1%). Despite customers generally reporting that they were able to withdraw cash in the 30 days prior to data collection (78.5%), only about half of the customers reported the cash withdrawal to be sufficient (53.6%). This highlights the continued need for customers to obtain cash outside of the banking system. How customers obtain cash outside of the official Libyan banking system remains a sensitive question, thus 65.8% preferred not to answer this question. Among the customer KIs willing to reply to this question the most reported ways of obtaining cash outside of the banking system were selling cheques on the parallel market (17.7%) or getting cash from the workplace (9.8%). The average mark-up fees for cash range between 15 – 25% nationally,¹⁰ hence reducing the purchasing power of customers. Thus, the Libyan financial system continues to be exploited by parallel market actors that have profited from the population's distrust in the Libyan financial sector, the shortage of foreign currency and limited availability of physical LYD.¹¹ Furthermore, in December 2022, the four most reported used banks by customer KIs were Al Jumhuria bank (35.4%), Shamal Afriquia bank (17.7%), Al Tijari Al Watani bank (12.6%) and Al Wehda bank 12.2%.

% of customer KIs reporting on their ability to withdraw cash in the 30 days prior to data collection



% of customer KIs reporting on the most common payment modalities used in transactions with vendors when buying everyday items *



% of customer KIs reporting on their primarily used bank



* This was a multiple choice question.

PREVIOUS JMMI OUTPUTS

Factsheets

Datasets

2022

December
November
October
September
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What is the CMWG?

The Libya Cash & Markets Working Group (CMWG), established in September 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.

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. 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.

In addition, in order to obtain a median price for an item in Tripoli, an aggregation of the median prices of that specific item in Abuselim, Ain Zara, Tajoura and Suq Aljumaa is done when Hai Alandalus, Tripoli center and Qasr ben Ghashir are excluded temporarily.

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 muhalla); then, REACH calculates the median of this list of medians. All boxplots, as well as the 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 6.

In cases where no median price is available for an item in a city then the price from the nearest city is imputed (using google maps). For example, for a city X, if the median cost of salt is missing, imputation happens: In other words, X takes a value of the median price of salt of the closest city

geographically.

Finally, significant price changes and unavailability of certain items are further investigated by following up with the respective organization focal point (who in turn consult their field teams). Whenever possible, information about the local context are gathered in order to provide some qualitative analysis.

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 where there is 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.

Liquidity Crisis

The respondents were vendors and customers from market places already monitored by the JMMI.

Respondents were selected purposively, with an average number of 8 customers and 4 vendors per region. The findings are indicative and not statistically representative.

One of the main limitations faced during data collection, according to field teams and enumerators, is the sensitivity of some important questions (money, depositing money, saving money, banking system,) when the key informants prefer not answer.

Endnotes

PAGE 2

1 The food prices were normalised by setting February 2022 as the baseline and dividing each month's price by the price in February 2022.

2 The hygiene prices were normalised by setting February 2022 as the baseline and dividing each month's price by the price in February 2022.

PAGE 6

3 [Reach Initiative: Libya's Currency Crisis Analysis on Devaluation and Liquidity Shortages, June 2021.](#)

4 [Cash Flow: The Lifeblood of Every Small Business.](#)

5 [Reach Initiative: Libya's Currency Crisis Analysis on Devaluation and Liquidity Shortages, June 2021.](#)

6 [Ibid.](#)

7 [Reach Initiative: Libya's Currency Crisis Analysis on Devaluation and Liquidity Shortages, June 2021.](#)

8 [Ibid.](#)

9 [Ibid.](#)

10 [Ibid.](#)

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11 Libya's Liquidity Crunch, Jason Pack, April 2017.

ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).