

Libya Joint Market Monitoring Initiative (JMMI)

1 - 9 August 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.

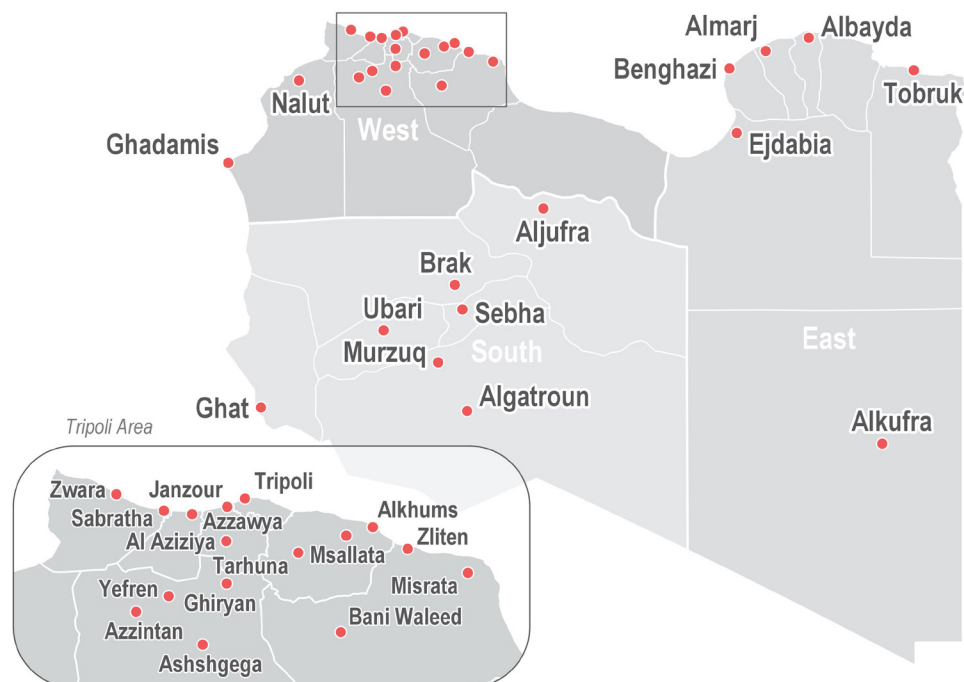
Markets in key urban areas across Libya are assessed on a monthly basis. In each location, field teams record prices and availability of basic food and non-food items (NFI) sold in local shops and markets.

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

- On 29th July, the Presidential Council announced a cut in the foreign currency transaction fee from 183% to 163%**, consequently reducing the parallel market exchange rates for both the Euro and USD.¹
- As suppliers are able to access foreign currency and import goods at a cheaper rate**, food prices have significantly decreased across the country, especially in west Libya. **The median cost of the MEB in the west has fallen by 12.6%, mainly driven by a reduction in prices of imported commodities.**
- The cost of LPG in Libya has spiked by 20%**, indicating that the oil crisis in Libya is being exacerbated by the conflict. The country's largest oil field, Sharara, was shut down twice in July **causing oil production to reach its lowest level of output since March.**^{2,3} There are also reports of kilometre-long queues in petrol stations close to Tripoli with waiting times lasting hours.⁴
- In Murzuq, clashes escalated on the 4th August forcing most local markets to close. Shortages of key MEB items have been reported**, such as bread, rice, pasta, couscous, beans, tuna, tomatoes and vegetable oil. In order to meet their basic needs, **households have been relying on food stocks and are forced to purchase key food products on informal markets with significantly higher prices.**⁵ According to KIs, markets have been closed for almost the entirety of August. The JMMI did not capture the price mark ups, due to data collection finishing very shortly before the clashes began.
- On 20th August, commercial banks began to distribute the Central Bank of Libya's (CBL) 2019 foreign currency allowance**, permitting 500 USD to be sold to Libyan families at the official currency exchange rate.⁶ The previous foreign currency allowance implemented in January 2018 had caused the Libyan dinar to appreciate against the Euro and USD, due to households seizing the opportunity to withdraw their dollars abroad and sell the currency in the Libyan black market for substantial profits. **Therefore, there is a possibility that the Libyan dinar could appreciate against the Euro and the USD.**

JMMI KEY FIGURES

Data collection from 1 - 9 August 2019

- 4 participating agencies (ACTED, DRC, REACH, WFP)
- 33 assessed cities
- 34 assessed items
- 564 assessed shops

EXCHANGE RATES²

1.411 USD/LYD <i>official</i> ▲ +1.3%	4.230 USD/LYD <i>parallel market</i> ▼ -4.7%	4.660 EUR/LYD <i>parallel market</i> ▼ -6.8%
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KEY MONTHLY CHANGES IN MEB

Median cost of overall MEB
746.63 LYD ▼ 48.69 LYD ▼ -6.1%

Food items ▲ +3.0%	Hygiene items ▼ -1.9%	Cooking fuel.⁷ ▲ +20.0%
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MEDIAN COST OF MEB BY REGION

West	703.80 LYD	-12.6% ▼
East	722.04 LYD	+2.5% ▲
South	942.05 LYD	+0.8% ▲

MARKET SHORTAGES

Food shortages reported in Murzuq

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 Elements⁹

Water (drinking and domestic use)	2,790 L
Median rent for 3-rm flat	1 month
Float ¹⁰	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

746.63 LYD

Change since
July 2019
▼ 48.69 LYD
(-6.1%)

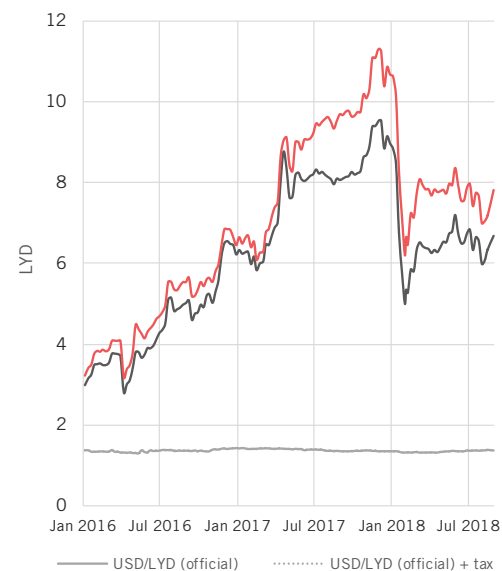
Change since
May 2018
▼ 28.51 LYD
(-3.7%)

MEDIAN MEB COST BY LOCATION

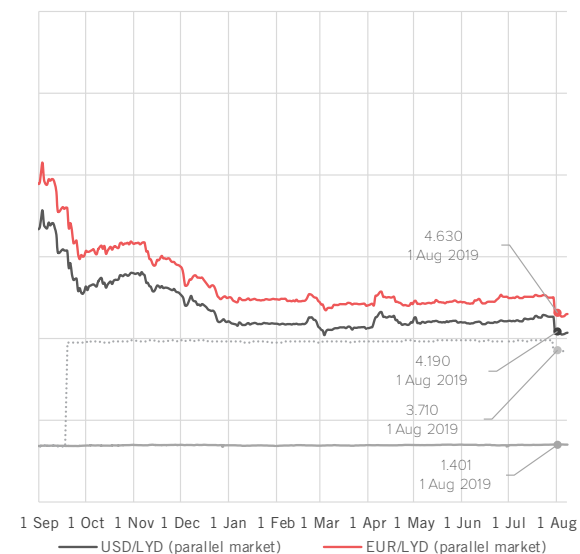
Location	Cost of MEB (LYD)	Since July 2019	Since May 2018
Ghiryan	861.1	-6.1%	16.6%
Azzintan	858.8	-5.5%	18.4%
Nalut	822.9	0.9%	-2.6%
Ghadamis	767.1	No data	-2.5%
Misrata	757.3	0.9%	12.3%
Alkhums	748.5	-5.0%	5.3%
Tarhuna	748.5	No data	No data
Zliten	746.6	5.4%	0.1%
Bani Waleed	722.4	No data	No data
Msallata	720.6	-2.1%	No data
Tripoli	691.2	-7.1%	-2.5%
Janzour	672.8	5.9%	No data
Yefren	670.4	0.9%	No data
Al Aziziya	654.6	-26.5%	-15.4%
Ashshgega	622.1	-8.9%	No data
Zwara	587.7	-32.7%	-27.1%
Azzawya	580.9	-31.2%	-25.6%
Sabratha	573.0	-32.6%	-25.0%
Median West	703.8	-12.6%	-4.7%
Alkufra	849.5	-3.1%	-11.4%
Tobruk	762.0	10.7%	-3.8%
Albayda	734.2	3.9%	-10.4%
Almarj	697.5	-1.4%	-10.6%
Ejdabia	674.2	-8.9%	-1.1%
Benghazi	627.5	-12.9%	-15.9%
Median East	722.0	2.5%	-8.0%
Ubari	1114.0	6.1%	5.5%
Murzuq	1092.5	No data	7.3%
Algatroun	1092.0	-1.2%	2.3%
Ghat	1050.0	-1.1%	7.8%
Aljufra	892.6	-0.5%	2.9%
Sebha	831.9	1.5%	-8.7%
Brak	781.3	-2.2%	-5.6%
Median South	942.1	0.8%	-0.3%
Median Overall	746.6	-6.1%	-3.7%

EXCHANGE RATES OVER TIME⁸

January 2016-September 2018

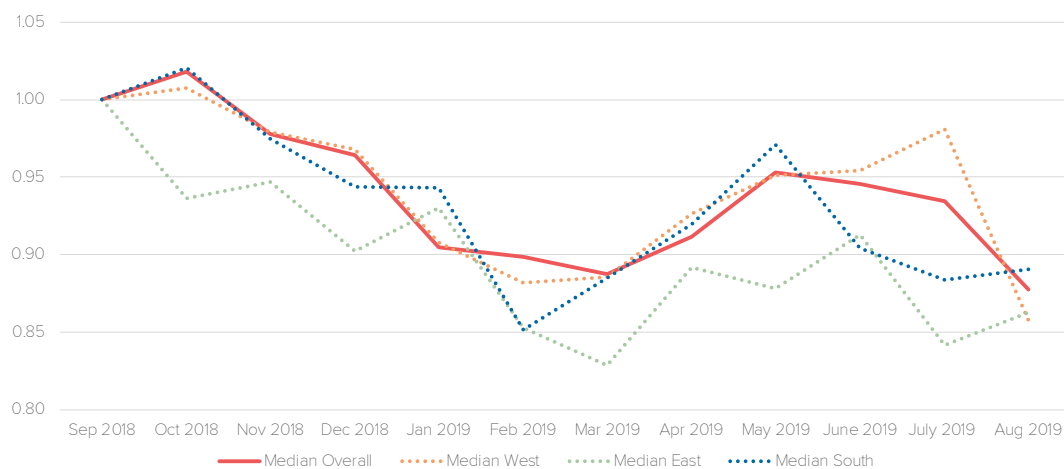


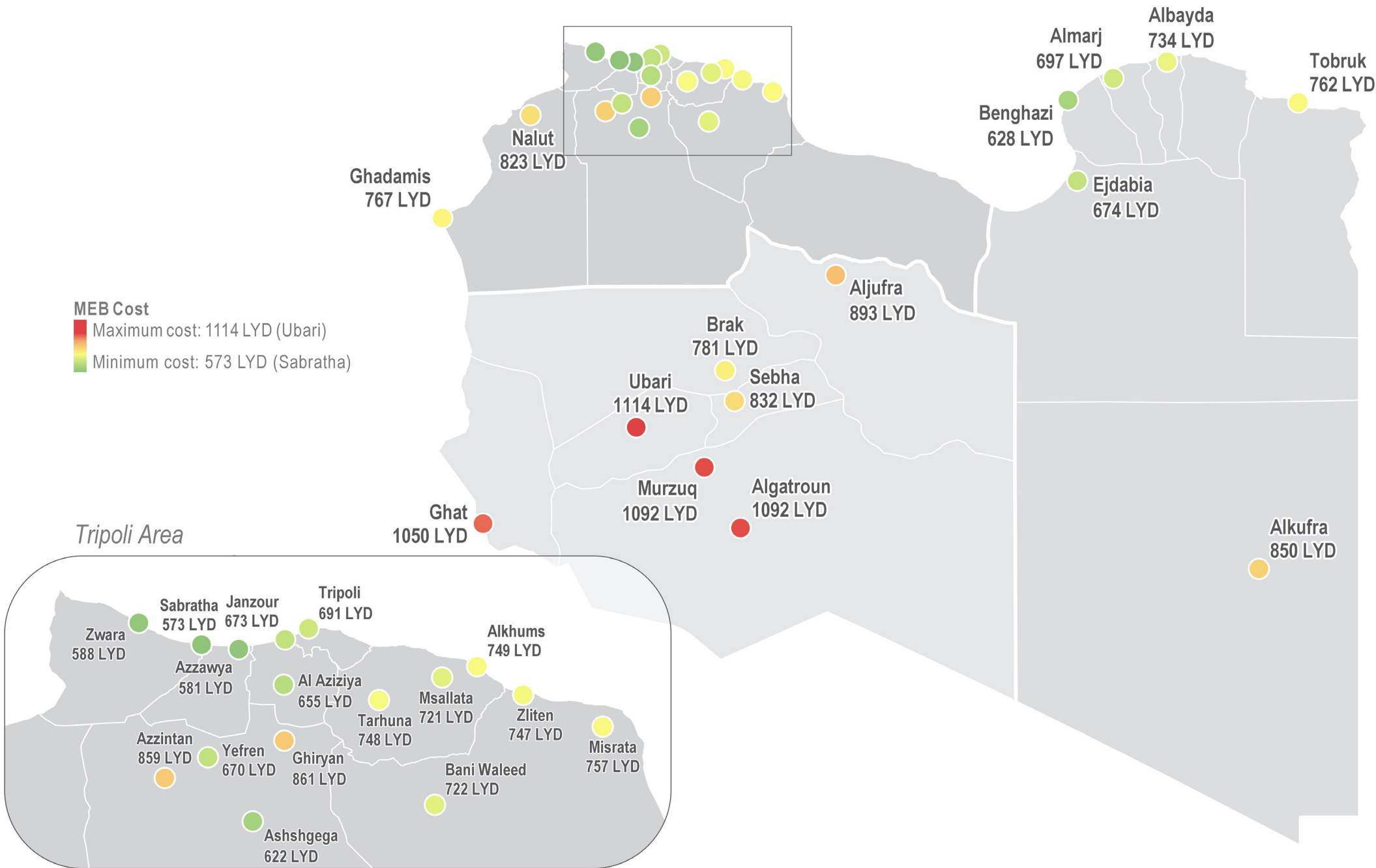
Since September 2018



MEB PRICE INDEX

Since September 2018 (normalised, September 2018 = 1.00)¹¹



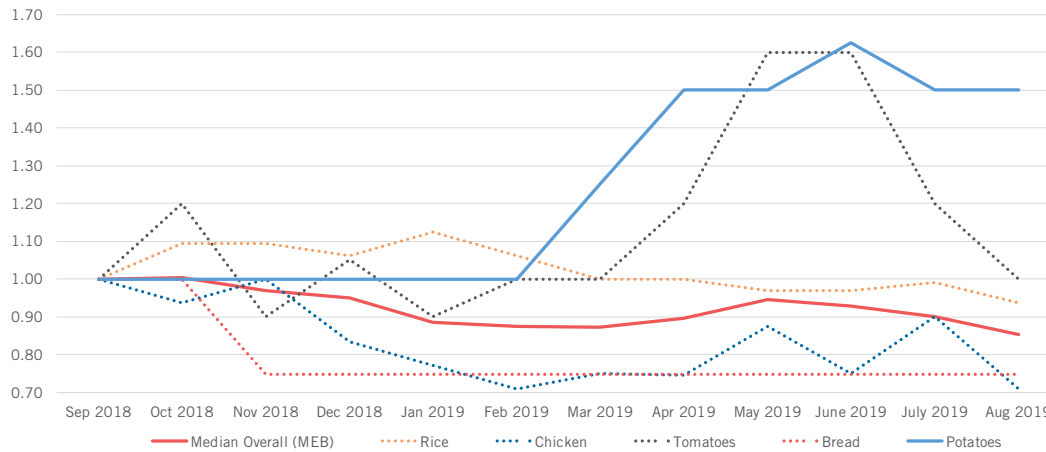


PRICES OF MONITORED ITEMS

Item	Unit	Median price (LYD)	Change since July 2019	Change since May 2018
Food items				
Eggs	30 eggs	9.25	12.1%	-22.9%
Green tea	250 g	3.70	11.7%	-26.0%
Condensed milk	200 ml	2.38	3.7%	-13.6%
Black tea	250 g	6.00	0.0%	-11.1%
Bread	5 pieces	1.25	0.0%	11.1%
Couscous	1 kg	3.50	0.0%	3.7%
Potatoes	1 kg	3.00	0.0%	50.0%
Salt	1 kg	1.00	0.0%	11.1%
Lamb meat	1 kg	37.00	-0.7%	-2.6%
Chickpeas	400 g	1.95	-2.5%	-35.0%
Canned tuna	200 g	4.00	-4.5%	3.2%
Peppers	1 kg	4.75	-5.0%	5.6%
Vegetable oil	1 L	4.75	-5.0%	26.7%
Tomato paste	400 g	2.25	-5.3%	80.0%
Rice	1 kg	3.75	-5.4%	7.1%
Beans	400 g	2.00	-5.9%	-20.0%
Onions	1 kg	2.75	-8.3%	37.5%
Flour	1 kg	2.25	-10.0%	2.3%
Sugar	1 kg	2.25	-10.0%	-42.3%
Pasta	500 g	1.50	-12.0%	0.0%
Tomatoes	1 kg	2.50	-16.7%	11.1%
Milk	1 L	3.25	-18.8%	-31.6%
Chicken	1 kg	8.50	-21.4%	-33.3%
Hygiene items				
Dishwashing liquid	1 L	2.50	56.3%	0.0%
Laundry detergent	1 L	2.00	42.9%	14.3%
Sanitary pads	10 pads	3.50	2.5%	-12.5%
Handwashing soap	1 bar	1.75	-3.4%	-12.5%
Toothpaste	100 ml	4.75	-7.3%	-20.8%
Laundry powder	1 kg	6.50	-8.5%	-9.7%
Shampoo	250 ml	5.25	-8.7%	-6.2%
Baby diapers	30	14.75	-9.9%	-33.0%
Toothbrush	1 brush	2.00	-13.5%	-19.2%
Other items				
Unofficial LPG	11 kg	25.00	25.0%	No data
Official LPG	11 kg	5.00	0.0%	No data
Bottled water	1 L	0.29	0.0%	No data

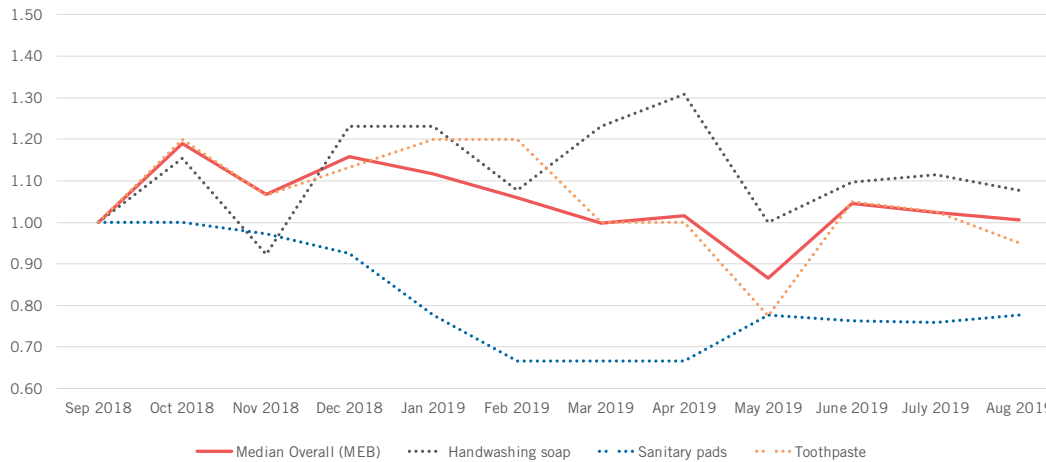
FOOD PRICES OVER TIME

Selected items (normalised, September 2018 = 1.00)¹²

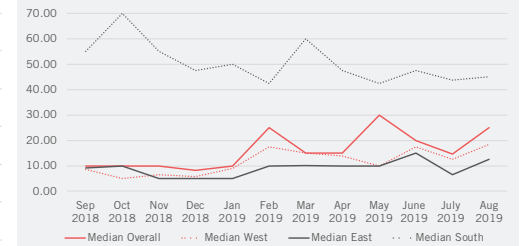


HYGIENE ITEM PRICES OVER TIME

Selected items (normalised, September 2018 = 1.00)¹²



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



NOTABLE MONTH-ON-MONTH CHANGES

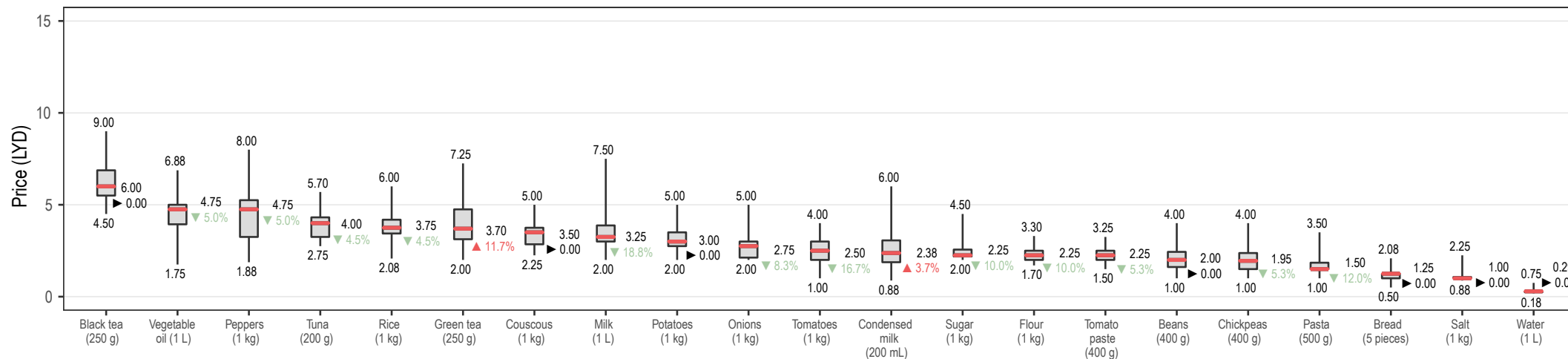
Dishwashing liquid	▲ +56.3%
Laundry detergent	▲ +42.9%
Unofficial LPG	▲ +25.0%
Chicken	▼ -21.4%
Milk	▼ -18.8%

MARKET SHORTAGES

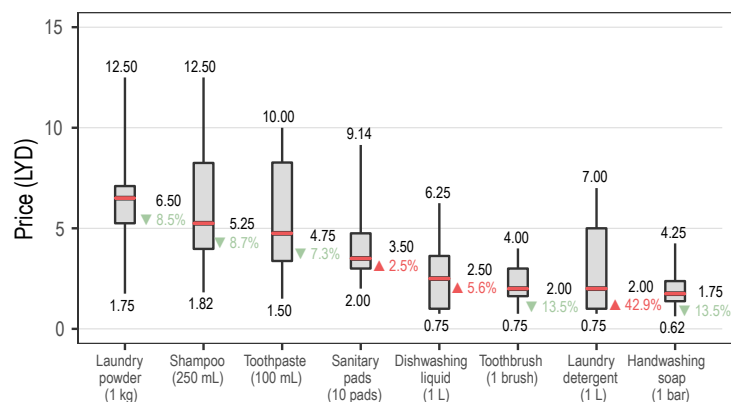
None reported

Distribution of Prices in Libya

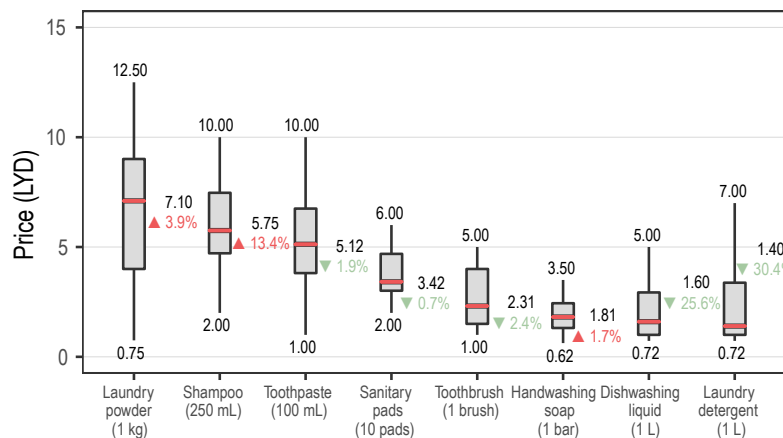
FOOD ITEMS



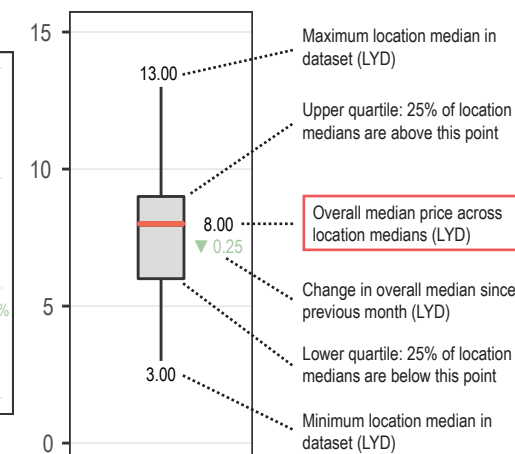
HYGIENE ITEMS



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 Datasets

2019

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 Presidential Council orders tax cut on official dollar exchange rate, *Libya Observer* 30 July 2019, <https://www.libyaobserver.ly/economy/presidential-council-orders-tax-cut-official-dollar-exchange-rate>

² Libya's biggest oilfield shut, NOC declares force majeure, *Reuters*, 31 July 2019, <https://www.reuters.com/article/us-libya-oil/libyas-biggest-oilfield-shut-noc-declares-force-majeure-idUSKCN1UQ12Y>

³ Libya Oil Output Drops to Post-March Low as Biggest Field Halted, *Bloomberg*, 31 July 2019, <https://www.bloomberg.com/news/articles/2019-07-31/libya-s-biggest-oil-field-halts-output-for-second-time-in-month>

⁴ Libya sends mobile petrol stations to conflict-hit west, *Reuters*, 20 August 2019, <https://www.reuters.com/article/us-libya-security-fuel/libya-sends-mobile-petrol-stations-to-conflict-hit-west-idUSKCN1VA19M>

⁵ Murzuq Rapid Assessment, *DTM*, 12 August 2019, <https://displacement.iom.int/reports/murzuq-rapid-assessment-12-august-2019>

⁶ Libya's Central Bank: Family's dollar grant starts Tuesday, *Libya Observer*, 19 August 2019, <https://www.libyaobserver.ly/economy/libyas-central-bank-familys-dollar-grant-starts-tuesday>

⁷ The cooking fuel price is calculated by taking the average of the official LPG median and the unofficial LPG median.

⁸ Official rate: Central Bank of Libya (1 August 2019), retrieved from www.cbl.gov.ly. Parallel market rates: Ewan Libya (1 August 2019), retrieved from www.ewanlibya.ly. The rates from 1 July 2019 and 1 August 2019 were used for the calculation of the monthly changes.

⁹ 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.

¹⁰ The 20% float includes expenses on healthcare, medicine, education, utilities, transportation, and communications.

¹¹ 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.

¹² The food and hygiene prices were normalised by setting September 2018 as the baseline and dividing each month's price by the price in September 2018.

¹³ The flour prices were normalised by setting September 2018 as the baseline and dividing each month's price by the price in September 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.