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## POVERTY DATUM LINES – DECEMBER 2020

### *Main Findings*

- The Food Poverty Line (FPL) for one person in December 2020 was \$3,494.00.
- The Total Consumption Poverty Line (TCPL) for one person stood at \$4,670.00 in December 2020.

### *Concepts and Definitions of the Lower Bound Poverty Line*

With effect from November 2020, ZIMSTAT is now producing the Poverty Datum Lines (PDL) using the lower bound poverty line. The method refers to the sum of food poverty line and the average amount derived from non-food items of households whose total expenditure is equal to the food poverty line.

The food poverty line (FPL) represents the amount of money that an individual will require to afford the minimum required daily energy intake of 2 100 calories.

The total consumption poverty line (TCPL) which is naturally higher than the FPL was derived using 2017 PICES data and using the lower bound poverty line method. It was derived by computing the non-food consumption expenditures of poor households whose consumption expenditures were just equal to the FPL. The amount was added to the FPL, if an individual does not consume more than the TCPL, he or she is deemed poor. For more details, the user is referred to a more recent publication by ZIMSTAT, Zimbabwe Poverty Update 2017-19.

### *Detailed Results*

The food poverty line (FPL) as at December 2020 stood at \$3,493.73. This means that the minimum needs basket cost that much per person in December 2020. This represents an increase of 6.5 percent over the November 2020 figure of \$3, 279.41.

The Total Consumption Poverty Line (TCPL) for Zimbabwe stood at \$4,670.04 per person in December 2020. This means that an individual required that much to purchase both non-food and food items as at December 2020 in order not to be deemed poor. This represents an increase of 5.5 percent when compared to the November 2020 figure of \$4, 425.64

The poverty datum lines vary by province as prices vary from place to place. The differences are explained by differences in average prices in the provinces.

The quantities of commodities consumed at base year in the minimum needs basket which is consistent with the preferences of the poor individuals and households in Zimbabwe are fixed. The variations in the value of the basket are explained by changes in average prices.

### **NOTE:**

- The TCPL of \$4,670.04 represents the total income needed for an individual (with all their income added together) as a minimum for them not to be deemed poor.
- ZIMSTAT produces the official Poverty Datum Lines which are not comparable to cost of living indicators produced by other players in the market.

### **Contact us**

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