## LIBYA

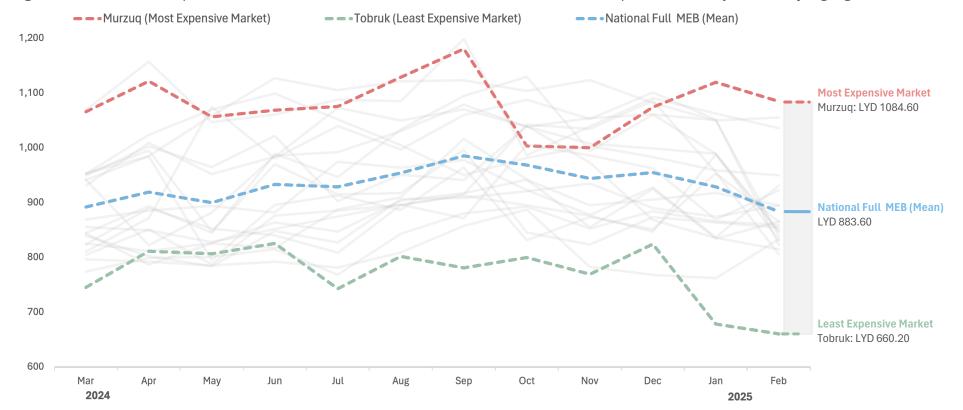
## **Market Price Monitoring**

**Issue:** February 2025

### **Key Highlights**

- In February 2025, the Full Minimum Expenditure Basket (MEB) dropped for the second consecutive month, falling -4.86 percent to LYD 883.60, reflecting continued economic stabilization. The Central Bank of Libya (CBL) expanded regulated institutions performing foreign currency transactions, increasing transparency in currency trading, strengthening the Libyan Dinar (LYD) and reducing import costs. This, coupled with stable and increasing oil revenues, drove market prices down.
- The east was the only region to see a price increase in February, with the Full MEB moving against the national downward trend, rising +1.10 percent reaching LYD 843.29. Al Kufra remains the most expensive market in the region at LYD 1,055.24, with the economic strain from the refugee population fleeing war in Sudan grows daily, adding pressure on local resources and the host community.
- The western region decreased considerably in February, with the Full MEB dropping -13.10 percent to LYD 843.29, falling from the position as most expensive region for four consecutive months to becoming the least expensive region in February. Substantial decreases in Tripoli (-24.45 percent to LYD 822.39) and Azzawya (-22.45 percent to LYD 838.43) led the drop.
- The Full MEB in the southern region dropped slightly by -0.53 percent, reaching LYD 929.50. Despite this, Murzug recorded the highest basket price in Libya at LYD 1,084.60 for the second consecutive month. The southern region continues to face significant, localized price fluctuations, with the -0.53 decrease hiding unstable price changes throughout the region on a month-by-month basis.

Figure 1: Full Minimum Expenditure Basket (MEB) cost over 12 months, with most and least expensive market for February highlighted



## **Full Minimum Expenditure Basket (MEB)**



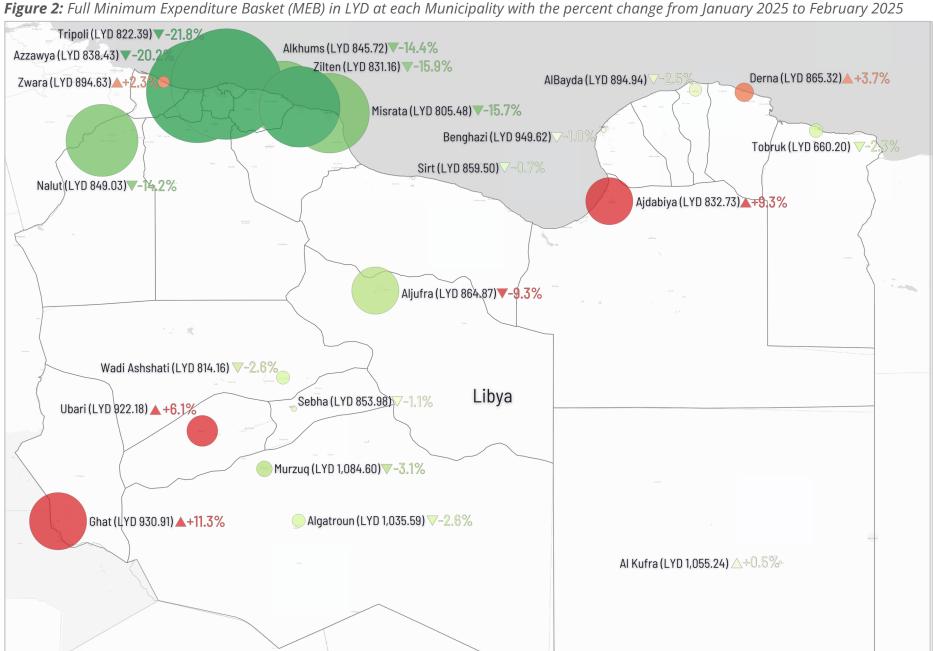


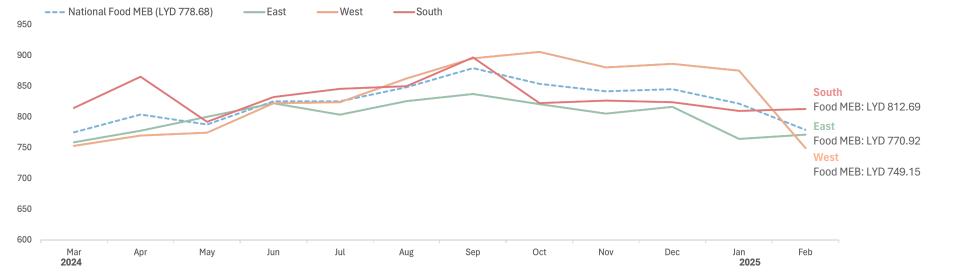


Table 1: Full Minimum Expenditure Basket (MEB) Month on Month (MoM) percent change nationally and in each region

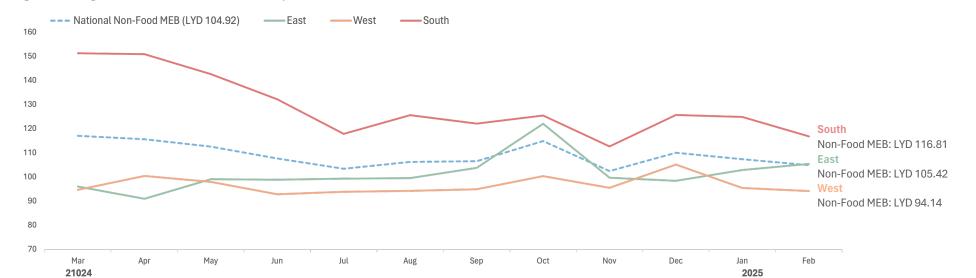
| January 2025         | February 2025                | Region | December 2024      | January 2025                 | February 2025                |
|----------------------|------------------------------|--------|--------------------|------------------------------|------------------------------|
| LYD 928.7            | LYD 883.6                    | East   | LYD 914.7          | LYD 866.8<br>▼ - <b>5.2%</b> | LYD 876.3                    |
| <b>▼ -2.7</b> %      | ▼ -4.9%                      | West   | LYD 991<br>▲ +1.6% | LYD 970.4<br>▼ -2.1%         | LYD 843.3<br>▼ -13.1%        |
| LYD 821.3<br>▼ -2.8% | LYD 778.7<br>▼ - <b>5.2%</b> | South  | LYD 949.5          | LYD 934.4<br>▼ -1.6%         | LYD 929.5<br>▼ - <b>0.5%</b> |

### National Overview – Food and Non-Food Minimum Expenditure Basket (MEB)

- Libya's Food MEB decreased for the second consecutive month in February 2025, falling -5.33 percent to LYD 778.68. This decline was largely due to substantial price decreases observed in the western region, where prices fell by -15.49 percent.
- The eastern region experienced a slight +0.92 percent increase in the Food MEB, reaching LYD 770.92, with Al Kufra remaining the most expensive municipality in the region at LYD 907.97, +15.33 percent higher than the national food basket. The large concentration of Sudanese refugees in Al Kufra continues to place pressure on the city's market prices.
- The western region decreased -15.49 percent, reaching LYD 749.15. In February, the substantial decline in the Food MEB prices has taken the west from the most expensive region to the least expensive region. Zwara is the only municipality in the west that now sits above the national food basket, +3.93 percent higher at LYD 809.88.
- Food MEB prices in the south increased slightly by +0.39 percent to LYD 812. 69 in February, with large, localized fluctuations in food prices observed once again in the region. Murzuq was once again as the most expensive municipality in the south, and for February became the most expensive municipality nationally, at LYD 917.60, +16.38 percent above the national food basket.
- Similar to food prices, Non-Food MEB prices fell by -2.33 percent to LYD 1074.92, with non-food prices increasing +2.41 percent to LYD 105.42 offset by a sharp decrease in non-food items in the south, with non-food prices falling -6.66 percent to LYD 116.81. Figure 3: Regional Food Minimum Expenditure Basket (MEB) trends







# **Commodity Prices**

Table 2: National unit price Month on Month (MoM) percent change

| ood   | Basket                  |
|-------|-------------------------|
|       | Bread (5Pc)             |
|       | Rice (Kg)               |
|       | Couscous (Kg)           |
|       | Pasta (500g)            |
|       | Potatoes (Kg)           |
|       | Tomatoes (Kg)           |
|       | Pepper (Kg)             |
|       | Onions (Kg)             |
|       | Tomato Paste (400g)     |
|       | Chicken (Kg)            |
|       | Eggs (30Pc)             |
|       | Tuna (200g)             |
|       | Milk (L)                |
|       | Oil (L)                 |
|       | Salt (Kg)               |
|       | Sugar (Kg)              |
|       | Black Tea (250g)        |
| Non-F | ood Basket              |
|       | Handwash Soap (Pc)      |
|       | Dishwashing Liquid (L)  |
|       | Laundry Detergent (L)   |
|       | Toothpaste (Pc)         |
|       | Sanitary Pads (10Pc)    |
| uel   |                         |
|       | Public Cooking Fuel (11 |
|       |                         |

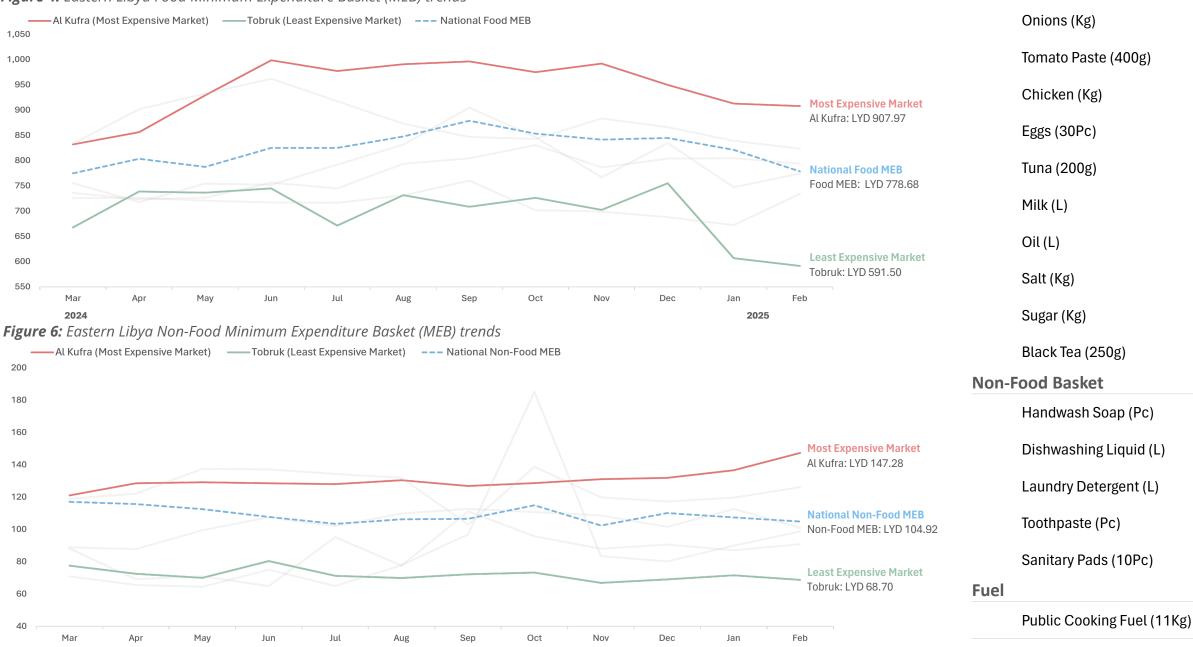
|      | January 2025   | February 2025    |
|------|----------------|------------------|
|      | LYD 1.45       | LYD 1.39         |
|      | ▼ -0.9%        | ▼ -4.7%          |
|      | LYD 5.6        | LYD 5.28         |
|      | ▼ -1.2%        | ▼ -5.9%          |
|      | LYD 7.55       | LYD 6.63         |
|      | ▲ +2.8%        | ▼ -12.2%         |
|      | LYD 2.73       | LYD 2.8          |
|      | ▼ -1.6%        | <b>▲</b> +2.4%   |
|      | LYD 4.52       | LYD 4.69         |
|      | ▼ -1.3%        | <b>▲</b> +3.7%   |
|      | LYD 3.31       | LYD 2.89         |
|      | ▼ -10.5%       | ▼ -12.6%         |
|      | LYD 5.02       | LYD 5.15         |
|      | ▼ -2.2%        | <b>▲</b> +2.6%   |
|      | LYD 3.41       | LYD 3.29         |
|      | ▼ -2.4%        | ▼ -3.4%          |
|      | LYD 4.77       | LYD 4.24         |
|      | ▲ +2.2%        | <b>▼</b> -11.2%  |
|      | LYD 18.07      | LYD 17.21        |
|      | ▼ -10.3%       | ▼ -4.7%          |
|      | LYD 19.35      | LYD 17.92        |
|      | <b>▲</b> +0.5% | ▼ -7.4%          |
|      | LYD 4.71       | LYD 4.68         |
|      | ▼ -2.4%        | ▼ -0.4%          |
|      | LYD 5.79       | LYD 5.78         |
|      | ▼ -0.8%        | <b>▼</b> -0.2%   |
|      | LYD 8.34       | LYD 8.07         |
|      | ▼ -0.1%        | ▼ -3.3%          |
|      | LYD 1.43       | LYD 1.46         |
|      | ▼ -4.3%        | <b>▲</b> +1.4%   |
|      | LYD 5.18       | LYD 4.63         |
|      | ▲ +2.4%        | ▼ -10.7%         |
|      | LYD 7.14       | LYD 5.93         |
|      | ▼ -1.3%        | ▼ -17.0%         |
|      | LYD 2.92       | LYD 2.78         |
|      | ▼ -8.4%        | ▼ -4.6%          |
|      | LYD 4.38       | LYD 4.44         |
|      | ▲ +3.9%        | <b>▲</b> +1.5%   |
|      | LYD 6.38       | LYD 5.74         |
|      | ▼ -14.8%       | ▼ -10.0%         |
|      | LYD 5.75       | LYD 5.1          |
|      | <b>▲</b> +1.4% | <b>▼ -11.3</b> % |
|      | LYD 4.52       | LYD 5.34         |
|      | <b>▲</b> +1.8% | <b>▲</b> +18.2%  |
| (ra) | LYD 10.17      | LYD 9.88         |
| Kg)  | ▲ +1.2%        | ▼ -2.8%          |

### Eastern Libya – Food and Non-Food Minimum Expenditure Basket (MEB)

- The Food MEB in eastern Libya remained relatively stable in February 2025, rising +0.92 percent to LYD 770.92. After five consecutive months as Libya's most expensive region for the Food MEB, the eastern region dropped -15.49 percent to LYD 749.15, becoming the least expensive region nationally in February.
- Al Kufra remained the most expensive municipality in the eastern region, despite a third consecutive monthly decrease, with prices falling again slightly by -0.56 percent, bringing the Food MEB to LYD 907.97. Ajdabiya recorded the highest increase in food prices in February, rising +8.79 percent to LYD 734.06, with Tobruk recording the lowest Food MEB in the east as well as the nation, falling -2.55 percent to LYD 591.50 and a significant -27.32 percent below the national Food MEB average.
- In contrast to food prices, the Non-Food MEB increased by +2.56 percent to LYD 105.42, with cooking fuel increase by +15.2 percent.
- Although February 2025 has displayed some price improvements, market stability remains uncertain, particularly in Al Kufra, which continues to face pressure as the main entry point for Sudanese refugees without adequate support to accommodate the influx.

Figure 4: Eastern Libya Food Minimum Expenditure Basket (MEB) trends

2024



2025

# **Commodity Prices**

**Food Basket** 

Bread (5Pc)

Couscous (Kg)

Pasta (500g)

Potatoes (Kg)

Tomatoes (Kg)

Pepper (Kg)

Rice (Kg)

Table 3: Eastern Libya price per unit Month on Month (MoM) percent change

|    | January 2025        | February 2025       |
|----|---------------------|---------------------|
|    |                     | ,                   |
|    | LYD 1.34            | LYD 1.61            |
|    | ▼ -10.0%            | ▲ +19.5%            |
|    | LYD 4.93            | LYD 5.04            |
|    | ▼ -8.9%             | <b>▲</b> +2.3%      |
|    | LYD 6.26            | LYD 6.65            |
|    | ▼ -17.3%            | <b>▲</b> +6.2%      |
|    | LYD 2.17            | LYD 2.25            |
|    | <b>▼</b> -13.8%     | <b>▲</b> +4.1%      |
|    | LYD 4.5             | LYD 4.52            |
|    | ▼ -6.5%             | <b>▲</b> +0.5%      |
|    | LYD 2.27            | LYD 2               |
|    | <b>▼ -10.7</b> %    | <b>▼ -11.9</b> %    |
|    | LYD 5.27            | LYD 6.06            |
|    | ▲ +3.3%             | <b>▲</b> +15.0%     |
|    | LYD 3               | LYD 3.17            |
|    | ▼ -1.4%             | ▲ +5.6%             |
|    | LYD 4.25            | LYD 4.19            |
|    | ▲ +2.8%             | ▼ -1.5%             |
|    | LYD 16.8            | LYD 15.07           |
|    | ▼ -12.7%            | ▼ -10.3%            |
|    | LYD 17.88           | LYD 17.69           |
|    | ▼ -0.6%             | ▼ -1.0%             |
|    | LYD 5.2             | LYD 5.06            |
|    | ▼ -1.8%<br>LYD 5.38 | ▼ -2.7%<br>LYD 5.29 |
|    | ▼ -3.0%             | ▼ <b>-1.6</b> %     |
|    | LYD 7.43            | LYD 8.24            |
|    | ▼ -9.3%             | ▲ +10.9%            |
|    | LYD 2.08            | LYD 2.1             |
|    | ▼ -3.8%             | ▲ +1.0%             |
|    | LYD 4.84            | LYD 4.96            |
|    | ▼ -5.0%             | ▲ +2.5%             |
|    | LYD 6.77            | LYD 7.5             |
|    | <b>▼</b> -1.3%      | ▲ +10.8%            |
|    |                     |                     |
|    | LYD 2.27            | LYD 2.33            |
|    | ▼ -4.3%             | <b>▲</b> +2.8%      |
|    | LYD 5.54            | LYD 6.14            |
|    | <b>▲</b> +10.2%     | <b>▲</b> +10.9%     |
|    | LYD 8.86            | LYD 9.22            |
|    | ▲ +21.1%            | ▲ +4.1%             |
|    | LYD 6.48            | LYD 6.2             |
|    | ▲ +3.0%             | ▼ -4.3%             |
|    | LYD 5.09            | LYD 5.2             |
|    | ▲ +9.6%             | <b>▲</b> +2.1%      |
|    |                     |                     |
| ;) | LYD 5.5             | LYD 6.33            |
| )/ | 0.0%                | <b>▲</b> +15.2%     |

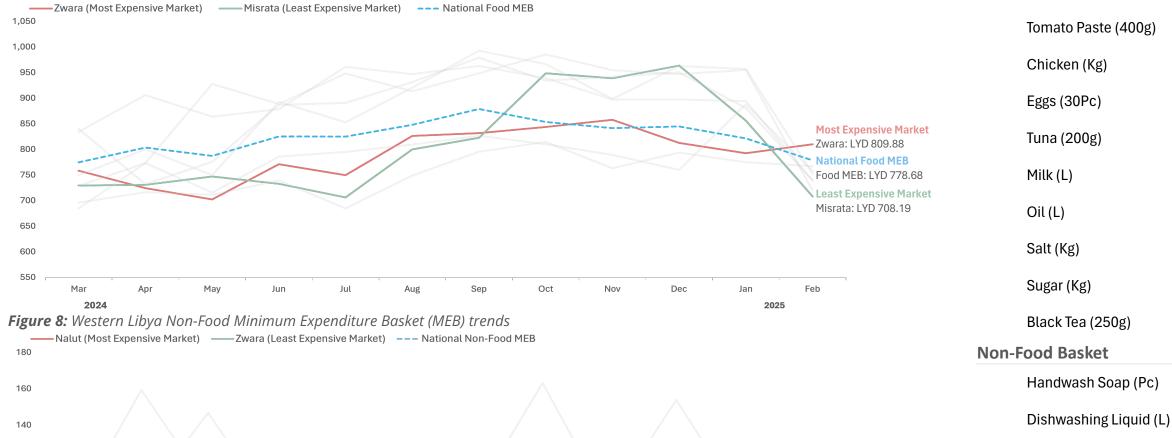
# **Commodity Prices**

### Western Libya – Food and Non-Food Minimum Expenditure Basket (MEB)

- The Food MEB in western Libya dropped dramatically in February, falling by -15.49 percent across the region, reaching LYD 749.15 and moving from the most expensive region to the least expensive region in Libya.
- Significant decreases were observed thorough the the entire region, including Tripoli (-28.12 percent to LYD 719.63), Azzawya (-23.96 percent to LYD 752.22), Nalut (-19.08 percent to 738.69), Misrata (-18.90 percent to LYD 708.19), Zilten (-17.43 precent to LYD 739.63) and Al Khums (-15.83 percent to LYD 757.78), with only Zwara showing an increase in food prices (+2.15 percent to LYD 809.88).
- In February 2025, the significant drop in Food MEB prices in the western region was driven by currency stability, lower fuel costs, and improved supply chains, with the Central Bank of Libya (CBL) bolstering market confidence by stabilizing the Libyan Dinar (LYD) and addressing liquidity challenges, reducing import costs, and contributing to the lower food prices in the region.
- In February, Non-Food MEB prices decreased by -1.40 to LYD 94.14 in the west, remaining the least expense region for Non-Food MEB for the past two consecutive months. All municipalities in the west remain below the National Non-Food MEB except for Nalut (+15.14 percent to LYD 110.34)

*Figure 7:* Western Libya Food Minimum Expenditure Basket (MEB) trends

120



Fuel

Most Expensive Market

ational Non-Food MEB Non-Food MEB: LYD 104.92 Least Expensive Market

Nalut: LYD 110.34

Zwara: LYD 84.75

Public Cooking Fuel (11Kg)

Laundry Detergent (L)

Sanitary Pads (10Pc)

Toothpaste (Pc)

Bread (5Pc)

Couscous (Kg)

Pasta (500g)

Potatoes (Kg)

Tomatoes (Kg)

Pepper (Kg)

Onions (Kg)

Rice (Kg)

**Food Basket** 

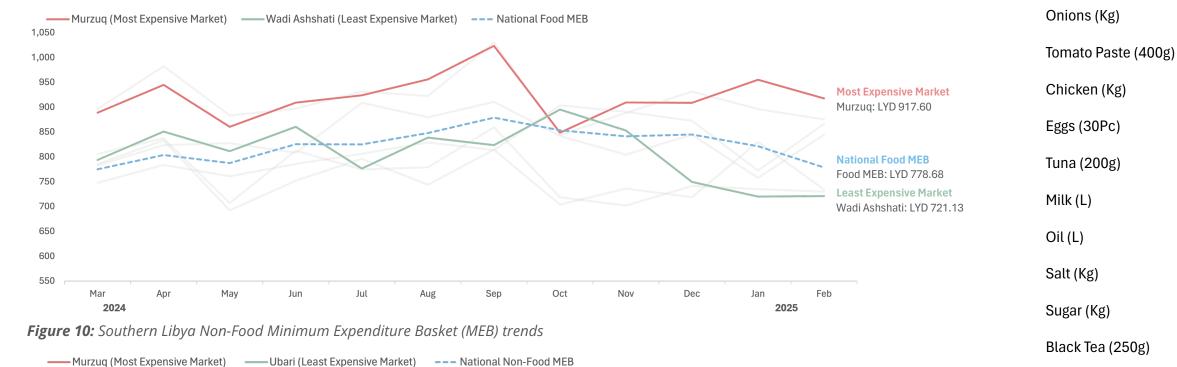
Table 4: Western Libya price per unit Month on Month (MoM) percent change

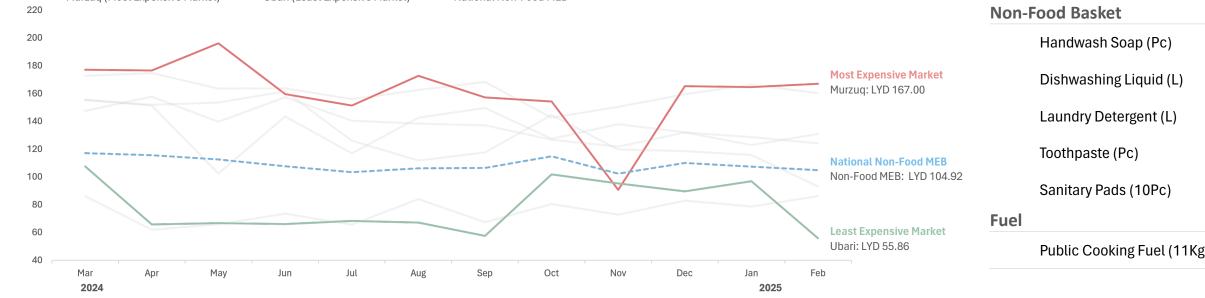
|    | January 2025<br>LYD 1.62<br>▲ +5.5% | February 2025                 |
|----|-------------------------------------|-------------------------------|
|    | LYD 1.62                            |                               |
|    |                                     | LYD 1.24                      |
|    |                                     |                               |
|    |                                     | ▼ -23.3%                      |
|    | LYD 6.13                            | LYD 5.05                      |
|    | ▲ +3.2%                             | ▼ -17.6%                      |
|    | LYD 8.73<br>▲ +14.9%                | LYD 5.69<br>▼ - <b>34.8</b> % |
|    | LYD 3.02                            | LYD 2.99                      |
|    | ▲ +19.9%                            | ▼ -0.9%                       |
|    | LYD 4.73                            | LYD 4.77                      |
|    | ▼ -1.0%                             | ▲ +0.7%                       |
|    | LYD 3.97                            | LYD 3.41                      |
|    | ▼ -10.2%                            | ▼ -14.0%                      |
|    | LYD 4.92                            | LYD 4.67                      |
|    | ▼ -10.0%                            | ▼ -5.1%                       |
|    | LYD 4.16                            | LYD 3.63                      |
|    | ▼ -2.6%                             | ▼ -12.8%                      |
|    | LYD 5.5                             | LYD 4.07                      |
|    | ▲ +6.5%                             | ▼ -26.0%                      |
|    | LYD 17.94                           | LYD 16.99                     |
|    | ▼ -13.0%                            | ▼ -5.3%                       |
|    | LYD 20.33                           | LYD 17.27                     |
|    | 0.0%                                | ▼ -15.1%                      |
|    | LYD 4.3                             | LYD 4.41                      |
|    | ▼ -8.6%                             | <b>▲</b> +2.5%                |
|    | LYD 6.38                            | LYD 5.81                      |
|    | ▲ +3.4%                             | ▼ -8.8%                       |
|    | LYD 8.45                            | LYD 7.19                      |
|    | <b>▲</b> +3.5%                      | ▼ -14.9%                      |
|    | LYD 1                               | LYD 1.13                      |
|    | ▼ -11.1%                            | <b>▲</b> +12.5%               |
|    | LYD 5.41                            | LYD 4.02                      |
|    | <b>▲</b> +7.1%                      | <b>▼ -25.6</b> %              |
|    | LYD 8.66                            | LYD 4.89                      |
|    | ▲ +4.0%                             | ▼ -43.6%                      |
|    | LYD 3.8                             | LYD 3.36                      |
|    | ▼ -12.6%                            | ▼ -11.5%                      |
|    | LYD 5.33                            | LYD 4.92                      |
|    | <b>▼ -1.2</b> %                     | ▼ -7.6%                       |
|    | LYD 5.67                            | LYD 3.8                       |
|    | ▼ -37.4%                            | ▼ -33.0%                      |
|    | LYD 4.81                            | LYD 3.31                      |
|    | <b>▲</b> +1.1%                      | ▼ -31.1%                      |
|    | LYD 3.98                            | LYD 6.03                      |
|    | <b>▼ -3.0</b> %                     | <b>▲</b> +51.4%               |
|    |                                     |                               |
| A  | LYD 3.5                             | LYD 5.94                      |
| () | 0.0%                                | ▲ +69.6%                      |

## Southern Libya – Food and Non-Food Minimum Expenditure Basket (MEB)

- The Food MEB in southern Libya rose slightly by +0.39 percent to LYD 812.69 in February, however large fluctuations in food prices were observed throughout the region, where increases in Ghat (+10.85 percent to LYD 844.69) and Ubari (+11.48 percent to LYD 866.32) where offset by decreases in Murzug and (-4.00 percent to LYD 917.60) and Aljufra (-12.33 percent to LYD 733.94).
- Murzug was the most expensive municipality in February in the nation, even with a -4.00 percent drop in the Food MEB. Aljufra observed the largest decrease in food prices in February, although the -12.33 percent drop appears to be a market correction after a +14.42 percent spike in January.
- The southern region remained relatively calm during February, however, reports of localized events such as sand dunes obstructing the main supply route in Sabha, and armed clashes in Gatroon, resulted in unstable price fluctuations.
- Non-food MEB prices saw a significant decrease of -6.66 percent to LYD 116.82, with essential commodities such as cooking fuel (-20.0 percent to LYD 17.43) dropping in February 2025.

*Figure 9:* Southern Libya Food Minimum Expenditure Basket (MEB) trends





# **Commodity Prices**

Bread (5Pc)

Couscous (Kg)

Pasta (500g)

Potatoes (Kg)

Tomatoes (Kg)

Pepper (Kg)

Rice (Kg)

**Food Basket** 

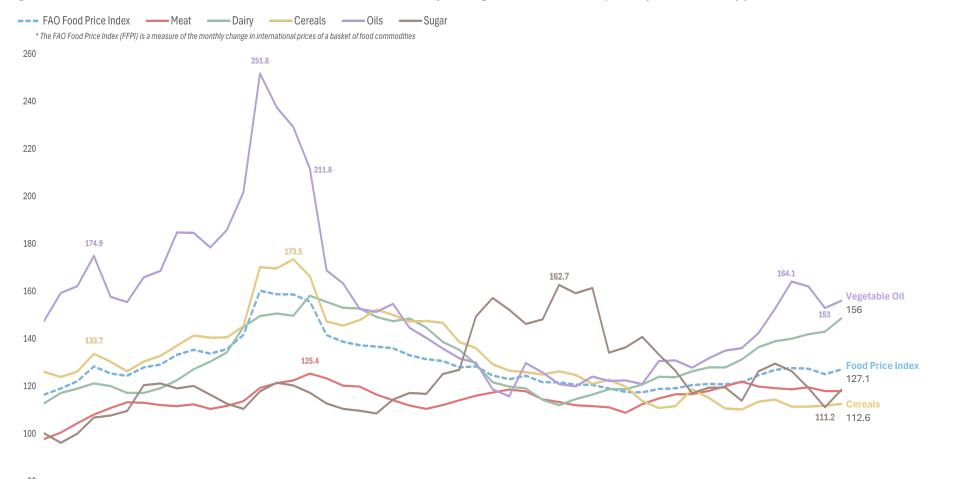
Table 5: Southern Libya price per unit Month on Month (MoM) percent change

| January 2025       | February 2025       |
|--------------------|---------------------|
| -                  |                     |
| LYD 1.36           | LYD 1.39            |
| ▼ -3.6%            | ▲ +1.9%             |
| LYD 5.58           | LYD 5.6             |
| ▼ -0.2%            | ▲ +0.4%             |
| LYD 7.3            | LYD 7.49            |
| ▲ +6.4%            | ▲ +2.5%             |
| LYD 2.9            | LYD 2.99            |
| ▼ -12.3%           | ▲ +3.2%<br>LYD 4.74 |
| LYD 4.3<br>▲ +3.5% | ▲ +10.3%            |
| LYD 3.46           | LYD 3.02            |
| ▼ -10.4%           | ▼ -13.0%            |
| LYD 4.91           | LYD 4.91            |
| ▲ +3.0%            | ▲ +0.1%             |
| LYD 2.93           | LYD 3.01            |
| ▼ -2.4%            | ▲ +2.8%             |
| LYD 4.39           | LYD 4.51            |
| <b>▼ -3.7%</b>     | ▲ +2.6%             |
| LYD 19.31          | LYD 19.38           |
| ▼ -5.1%            | ▲ +0.4%             |
| LYD 19.48          | LYD 18.85           |
| ▲ +2.0%            | ▼ -3.2%             |
| LYD 4.75           | LYD 4.57            |
| ▲ +4.3%            | ▼ -3.8%             |
| LYD 5.48           | LYD 6.01            |
| ▼ -4.1%            | ▲ +9.6%             |
| LYD 9              | LYD 8.87            |
| ▲ +3.5%            | ▼ -1.4%             |
| LYD 1.38           | LYD 1.24            |
| ▲ +1.6%            | ▼ -9.6%             |
| LYD 5.21           | LYD 5.02            |
| ▲ +3.4%            | ▼ -3.5%             |
| LYD 5.71           | LYD 5.69            |
| ▼ -9.5%            | ▼ -0.4%             |
| LYD 2.46           | LYD 2.51            |
| ▼ -3.5%            | ▲ +1.9%             |
| LYD 2.29           | LYD 2.43            |
| ▲ +5.8%            | ▲ +6.0%             |
| LYD 5.06           | LYD 4.97            |
| ▼ -13.5%           | ▼ -1.8%             |
| LYD 6.2            | LYD 6.2             |
| ▲ +0.3%            | <b>▲</b> +0.1%      |
| LYD 4.64           | LYD 4.68            |
| <b>▲</b> +0.1%     | ▲ +0.8%             |
| LYD 21.79          | LYD 17.43           |
|                    |                     |

## **Economic Overview**

### **International Commodity Prices**

- Overall Index Trends: February's trends highlight a complex food market, with weather conditions, supply chain disruptions, and shifting global demand patterns continuing to shape food price movements worldwide. The FAO Food Price Index (FFPI) rose to 127.1 points, up 1.6 percent from January, driven by higher sugar, dairy, and vegetable oil prices. However, it remains 20.7 percent below its March 2022 peak.
- Cereal Prices: The Cereals Price Index increased 0.7 percent, with wheat and maize prices rising due to tighter supplies and poor crop conditions in major producing regions. Meanwhile, rice prices dropped 6.8 percent, reflecting abundant export supplies and weak import demand.
- Vegetable Oils: The Vegetable Oil Price Index climbed 2.0 percent, with palm, soy, sunflower, and rapeseed oil prices all rising. The increase was fueled by seasonal declines in palm oil production, strong biodiesel demand, and tightening supplies of sunflower and rapeseed oil.
- Meat & Dairy: The Meat Price Index remained stable, with poultry and pig meat prices declining due to strong global supply, while bovine meat saw slight gains. The Dairy Price Index jumped 4.0 percent, as strong import demand for cheese and milk powders offset seasonal production recoveries.
- Sugar Prices: The Sugar Price Index surged 6.6 percent, reversing three months of declines. The price rebound was driven by lower production forecasts in India and adverse weather in Brazil, raising concerns about tighter global supplies.



May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr

2023

Nov Dec Jan Feb

2025

2024

Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr

2022

2021

Figure 11: The FAO Food Price Index (FFPI) which measures monthly changes in international prices for a basket of food commodities

## **Exchange Rate**



 Following the Central Bank of Libya's (CBL) reduction of the foreign exchange tax from 27 percent to 20 percent in October 2024, the official exchange rate, including the foreign exchange tax, has remained stable. In February, exchange rates started at LYD/USD 5.92, peaking at LYD/USD 5.93 and finally decreasing to end the month slightly at LYD/USD 5.89.

• The parallel market exchange rate corrected significantly in February, dropping to LYD/USD 6.49, closing the gap between the official and informal rates, which had started the month at 6.59 LYD/USD in January.

 In early February 2025, the CBL approved applications for 64 new Foreign Exchange Bureaux, expanding the number of regulated institutions handling foreign currency transactions. This measure enhanced formal access to foreign exchange and increased transparency in currency trading, helping businesses and individuals secure foreign currency at stable rates.

• The slight appreciation of the LYD suggested that inflationary pressures were contained in February. The stabilization of the exchange rate and steady consumer prices helped boost public confidence in Libya's financial system. Overall, the appreciation of the Libyan Dinar in February 2025 reflected the combined impact of monetary policy adjustments, stable and increasing oil revenues, and ongoing political efforts to strengthen the country's financial framework.

• The CBL continues to work towards fiscal policy that stabilizes the foreign exchange market and reduces the reliance on the parallel exchange rate. Expanding access to foreign currency through official channels is one example whereby the CBL is seeking to curb informal market activity and enhance financial stability across the country.

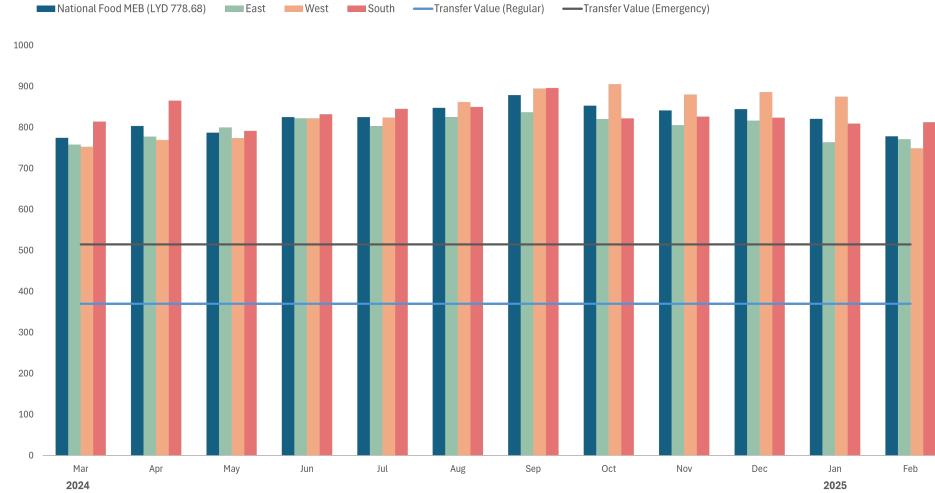
Figure 12: The official exchange rate based on figures from The Central Bank of Libya, along with the parallel market for November



## **Economic Overview**

### Implications on the Food MEB

- The Regular Transfer Value (LYD 370 for a household of five) and Emergency Transfer Value (LYD 515 for a household of five) is designed to provide supplementary assistance for families to help cover food costs. The current transfer values remain below the Food MEB of LYD 778.68, leaving a gap in essential food assistance.
- In February, both the Full MEB (-4.9 percent to LYD 883.60) and Food MEB (-5.2 percent to LYD 778.68) dropped substantially, with the most significant decline experienced in the West (-13.1 percent to LYD 843.29), overtaking the east as the least expensive region nationally. Led by Central Bank of Libya (CBL) fiscal policy, growth in oil production and the activation of new oil fields, the stable political and economic landscape is likely to have a net effect of reducing market prices nationally, particularly for imported goods and everyday essentials.
- The parallel market exchange rate fell sharply in February (-1.2 percent), aligning more closely with official rates due to CBL policies aimed at improving accessibility to foreign currency through regulated financial institutions. The increased demand and stability of the LYD has strengthened the currency and reduced inflationary pressure, increasing purchasing power for food and everyday essentials.
- The CBL continues to implement policy aimed at fiscal stabilization, and the economic outlook is promising with efforts by the National Oil Corporation (NOC) to increase oil production. In Libya, market prices have fallen for the second consecutive month, however market prices are still significantly higher than January 2024 (Full MEB +8.5% since January 2024). As a result, the UN Cash Working Group is currently in the process of revising the Cash Transfer Value (CTV) provided to beneficiaries in Libya.



*Figure 13:* Food Minimum Expenditure Basket (MEB) cost compared to Regular and Emergency Transfer Value (households of five)

# **Research, Assessment, and Monitoring (RAM)**

## Methodology

- least four prices per item in each location.
- 2024.

## References

- Official Exchange Rate: <u>https://cbl.gov.ly/en/</u>
- Parallel Exchange Rate: <u>https://t.lv/Y1k6S</u>

### Contact

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• To inform cash-based interventions and understand market dynamics, the Joint Market Monitoring Initiative (JMMI) was launched in June 2017 by the Libya Cash & Markets Working Group (CMWG), led by REACH.

• With the conclusion of the JMMI in April 2023, the World Food Programme (WFP) subsequently began collecting market data in 21 Libyan municipalities through monthly assessments. These assessments cover major urban areas, recording the prices and availability of basic food and non-food items (NFIs) in local shops and markets. Each round is followed by a review of the number of prices collected per commodity in each monitored Mantigua to ensure that field teams collect at

• In line with the objective of local market monitoring, only the price of the cheapest available brand is recorded for each item, and average prices are calculated for both food and non-food items. This methodology ensures that the average price calculated for each item is representative of the cheapest options available in local markets, providing valuable insights into the local economic landscape. For this Market Monitoring, data was collected for seven days from 20 January

FAO Food Price Index: https://www.fao.org/worldfoodsituation/foodpricesindex/en/