



For immediate release
Freetown: 27th August 2021

CSOs Call on Government to Tackle the Rising Price of Bread

Budget Advocacy Network (BAN) and Institute for Governance Reform (IGR) are alarmed at the sudden announcement that bread prices are increasing throughout Sierra Leone. It is well known that inflation is a recognized challenge for any society, but for a poor country like Sierra Leone where the vast majority of citizens eke out a living on low wages and regularly struggle with food insecurity, bread remains a single important food commodity in Sierra Leone. The rise in bread prices is an extremely hard pill for households to swallow. The impact of this announcement has created greater economic burden for individuals and families especially in a Covid-19 pandemic situation where routine costs continue to skyrocket.

We note that the problems and reasons for a price increase are rooted in a political and economic context that goes as far back to the civil conflict and its lingering economic and social impacts. The problems are threefold:

1. A very high freight shipping costs due to the limited number of shipping companies,
2. The high cost of insurance for ships coming to Sierra Leone – Sierra Leone is still considered a high-risk country for ships to travel to,
3. Sierra Leone has no ship under its name coming to Sierra Leone.

All three of these issues continue to plague Sierra Leone's remoteness in a global economy that has been severely impacted by Covid-19, and we know that these problems cannot be fixed overnight.

We also understand that there have been ongoing efforts to address this challenge. Government has encouraged the production of flour products in Sierra Leone, including bread, to be a viable homegrown product, which could reduce the burden on government and the price of flour, and therefore bread to local citizens. Government has also reduced the import duty rate on flour from 5% to 0%, and GST has been slashed from 15% to 0% in attempt to keep prices stable.

External agencies have also floated ideas that could potentially help alleviate the high cost of the importation of flour. One such recommendation has been for government

to reach out to flour importers to negotiate a contractual agreement for an agreed-upon price for the bulk importation of flour. Another recommendation has been to reach out to flour manufacturing companies to also see what possibilities exist around signing a contractual agreement for exclusive flour manufacturing that would then be shipped to Sierra Leone for a mutually agreed-upon price. Two other options have also been floated, which is to reach out to a baking company as well as bread sellers to negotiate a contract for a mutually agreed-upon pricing structure. All of these options remain possibilities that could provide more economic certainty and stability to the ever-present threat of inflation and rising cost of bread.

Despite the possibilities available to government, there are concrete steps that should be taken immediately:

1. First, Government through the Ministry of Foreign Affairs and international cooperation needs to push for the removal of Sierra Leone as a high-risk country for shipping companies. It's been 20 years since the end of the war, and Sierra Leone has held four successful democratic elections, and according to the Global Peace Index (GPI) remains the 4th-most peaceful country on the African continent, and 46 amongst the other 195 countries of the world. Sierra Leone is a peaceful and welcoming country to all, and it shouldn't continue to be punished for its past.
2. Second, SLNSA must continue to look for ships to come to Sierra Leone under the Sierra Leone name.
3. Finally, government needs to continue the zero duty and GST for the production and importation of flour in Sierra Leone.

We stand ready to support ongoing efforts to ameliorate the suffering of Sierra Leoneans