

THIRD NATIONAL ADDRESS ON COVID-19

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PRESIDENT OF THE REPUBLIC OF ZAMBIA



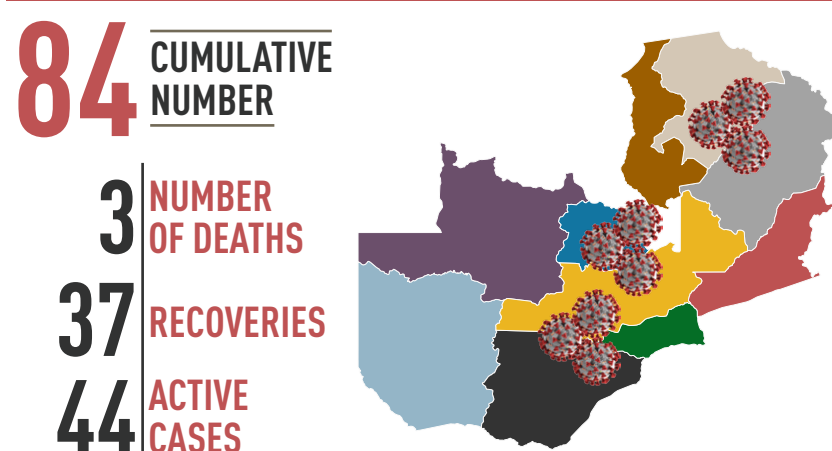
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INTRODUCTION

Zambia recorded its first COVID-19 cases on the 18th of March 2020. Over the last five weeks, cases have been increasing steadily, and local transmission of the disease has set in. **Quick and decisive measures instituted by my Government have ensured that potential rapid spread of the outbreak is averted and mitigated.** As of 24th April, 2020, the cumulative number of cases in Zambia is now, 84, including three deaths.

COUNTRY STATUS OF COVID-19



DONATIONS TOWARDS THE FIGHT AGAINST COVID-19

The country has received huge donations from local and international donors following the outbreak of COVID-19. Donations will be used prudently in accordance with the **Public Finance Management Act** of 2018.

IMPACT OF COVID-19 ON THE ECONOMY

- Unplanned Government expenditure on COVID-19.
- Exports are constricted due to closure of borders and the lock down in major economies.
- Commodity prices of copper has drastically reduced.
- Tourism has been run aground.
- Depreciation of the Zambian Kwacha.
- Closure and the restrictions in the running of certain businesses.

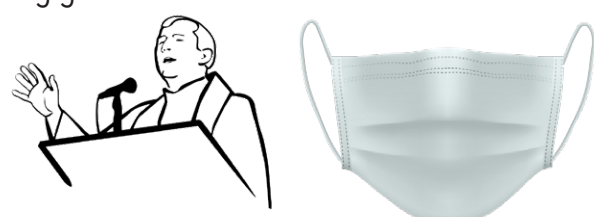
There are questions that require answers, which have an impact on the social-economic affairs of the country bearing in mind that currently our national budget has been thrown into disarray as a result of the COVID-19. If we maintained the status quo of the controlled movement of our people and restriction of some businesses due to the pandemic, where will the money come from for the many other important programmes?

- Where will we find money to pay salaries for our public service employees?
- Where will we find money to pay retirees?
- What about FISP?

- What about the money for Social Cash Transfer?
- Where will we find money to buy the much needed drugs for our hospitals?
- What about debt repayment obligations?
- What about fuel importations?
- When and how will the children get back to school?
- Who will harvest the crops for our national food security?
- Who will deliver farming inputs?
- How will we distribute food relief?

ACTIVITIES TO RESUME OPERATION

- **Places of worship** may congregate while observing social distancing, mandatory face masks, sanitising and hand washing guidelines.



- **Sporting activities** such as golf and tennis, which do not involve physical contact between players where the sport is played in non-crowded space, can begin to be played but bars in those premises will remain closed.



- **Barbershops and salons** may continue to operate with strict adherence and observing social distancing and regular sanitising and hand washing.



MESSAGE TO THE PUBLIC

- Failure to adhere to the public health regulations, guidelines and certification, **will attract penalties including revoking of licences at any given time.**
- Law enforcement agencies have been directed to pursue any offenders.
- The general public are **equally encouraged reporting any cases of non-adherence to these measures to relevant authorities.**

THE GOVERNMENT WILL CONTINUE WITH;

- Modification of the implementation of COVID-19 interventions to facilitate continued economic activity and a gradual return of daily life to normalcy.

THE MAIN COVID-19 CONTROL STRATEGY

- Prevention of infection.
- Case finding through increased testing.
- Isolation of cases.
- Swift and thorough tracing of contacts.
- Community engagement.
- Case management.

CORNERSTONE TO OVERCOMING COVID-19

- Intensified surveillance at points of entry;
- Targeted community screening and testing;
- Routine screening and active case search in healthcare facilities, particularly patients with respiratory symptoms
- Mandatory use of masks in public;
- Physical distancing;
- Observance of personal hygiene measures, including hand washing and respiratory etiquette.

PRESIDENT'S DIRECTIVES TO PROMOTE LOCAL PRODUCTS

- The Ministry of Commerce, Trade and Industry to ensure that chain stores prioritise local agricultural products in their localities.
- Only products that cannot be sourced from locals should be imported.
- Citizens to form cooperatives to ensure they meet quality and safety demand.

THE MINISTER OF FINANCE TO PURSUE OPTIONS SUCH AS;

- **Consolidating available resources in various empowerment funds so that these may be disbursed to small businesses, women groups, youths and the most vulnerable that have been hit the hardest.**
- **Create a COVID-19 economic recovery fund** that will help existing businesses, especially affected SMEs to remain stable during this period and beyond.
- The K10 billion loan facility under the Bank of Zambia could be part of the resources identified to this fund.
- Identify other sources of funding to help beef up this fund so that as many businesses as possible may benefit.

MEASURES TO ENCOURAGE LOCAL WEALTH CREATION

- **The Citizen Economic Empowerment Commission (CEEC)** to look at proposals for new bankable businesses that can be funded.
- Regular updates from CEEC on the implementation of their proposals.

FURTHER MEASURES

- **The Minister of Communication and Transport and Smart Zambia** to support better digital infrastructure and skills, and to formulate digital trade and e-services.
- **The Ministry of Education** to drive e-learning and television education in the country.

FUTURE ECONOMIC GROWTH WILL NEED TO TAP INTO EMERGING DIGITAL OPPORTUNITIES

- e-Services in the health sector.
- Mobile phone based diagnostic tools to ensure that those in need obtain the required information through-out the crisis
- The Ministry of Agriculture is instructed to encourage and support farmers to grow winter maize and engage in other agricultural activities to boost businesses during this period.

FOOD SECURITY MEASURES

- **The Minister of Agriculture and the Minister of National Development Planning** to collaborate with the private sector and develop partnerships to grow food for both domestic and export markets.
- The Government will help provide both financial and logistical support towards the programme.

In light of recent negative impacts of climate change. **The Ministry of National Development Planning has been directed to draft a new climate change action plan to secure food production in Zambia.**

Additional financial measures to cushion the impact of COVID-19 on businesses include:

Waiver of tax penalties and interest:

- Government will waive tax penalties and interest on outstanding tax liabilities resulting from the impact of COVID-19.
- This will assist companies and businesses manage cash flows during this period.

Suspension of customs duties and vat on additional medical supplies used in the fight against COVID-19:

- Government will extend the list of medical supplies that are not subject to import duty and value added tax for an initial period of six months
- This is meant to expedite the provision of medical related devices needed to support the fight against COVID-19

In addition, Government has already released the following monies:

- **K500 million to the Public Service Pensions Fund** to pay over 1,500 retirees or their beneficiaries;
- **K170 million to banks** to clear third party arrears, and;
- **K140 million to various road contractors**

These releases are part of the K2.5 billion announced by Government. In addition, The Minister of Finance will expedite the pending payment of K1 billion to various suppliers of goods and services to Government.

Commercial banks are expected to;

- Prioritise lending, on favourable terms, money to small and medium enterprises and households hardest hit by the COVID-19 pandemic.
- This money will come from the K10 billion medium term refinancing facility which eligible commercial banks, and non-bank financial institutions can access from the Bank of Zambia.