

PRESIDENTIAL ADDRESS INFOGRAPHIC (1)

OPENING OF THE FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY

THEME: "DEDICATION, RESILIENCE AND INNOVATION: PURSUING ECONOMIC RECOVERY FOR THE ZAMBIA WE WANT."

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Research and Analysis and Communications
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On the 11th of September 2020, H.E. the President of the Republic of Zambia, Mr. Edgar C. Lungu addressed the National Assembly during the official opening of the fifth session of the twelfth National Assembly.



INTRODUCTION:

- The **mindset of all citizens** should be attuned to **building a Zambia** that is **resilient to shocks, open to new ideas and opportunities** as well as looking inwards for **local solutions**.

The Government is committed to building resilience by:

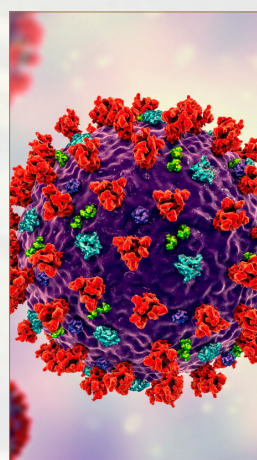
- Investing in **building capacities** to cope and recover quickly in face of difficulties.
- Investing more in **climate resilient infrastructure** and promoting **climate smart agriculture**.
- Strengthening **healthcare systems** to help recover and cope when confronted with pandemics.
- Promote **economic growth** through **diversification, value addition, expanding export base and finding local business solutions**.

Macroeconomic situation

- During the period 2016 to 2019, the economy remained resilient registering **positive growth of 3.2%**.
- In 2020, the economic growth rate is projected to **decline to negative 4.2%**.
- This is mainly **attributed to the COVID-19 pandemic** which led to **disruptions in the supply of value chains, fall in international commodity prices, reduced exports, low investments and liquidity constraints**.

To stimulate economic activities in the short-term amid the COVID-19 pandemic. Government has had to:

- Implement tax relief measures** in order to keep the private sector afloat and protect jobs.
- As a result, **domestic revenues in 2020 are projected to decline by 17.8%**.
- To improve **liquidity in the economy and mitigate the effects of COVID-19**. Government introduced a **K10 billion medium-term refinancing facility** to support various players in the economy.
- Furthermore, **Government issued the K8 billion COVID-19 bond as an economic stimulus package**.
- Government has continued to prioritise the **dismantling of domestic arrears such as those owed to suppliers and pensioners**.
- A total of **K1.9 billion** has so far been released against the 2020 budget of **K2.1 billion**.



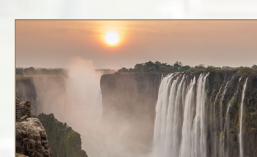
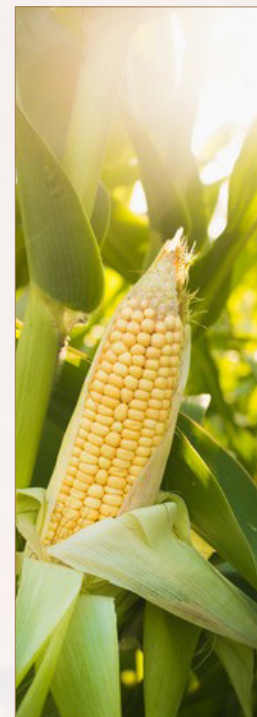
INVESTING IN
CLIMATE RESILIENT
INFRASTRUCTURE AND
SMART AGRICULTURE



ECONOMY REGISTERED
POSITIVE GROWTH OF
3.2% BETWEEN 2016
& 2019.



DOMESTIC REVENUES
IN 2020 PROJECTED TO
DECLINE BY 17.8%.



PILLAR 1 Economic Diversification and Job Creation



CROPS
3.4M METRIC
TONNES IN 2020



AQUACULTURE
127,000 METRIC
TONNES IN 2019



LIVESTOCK
RESEARCH TO
INCREASE PRODUCTION



MINING
14% OF DOMESTIC
GROSS PRODUCT



TOURISM
SECTOR CONTRIBUTED
2.5% TO GDP



ENERGY
3,000 MEGAWATTS
IN 2020



TRADE
2019 - ZAMBIA RECORDED
POSITIVE TRADE BALANCE



DOMESTIC MARKET
MANUFACTURING GREW BY
3.2% FROM 2016 TO 2019



AIRPORTS
WILL HAVE CAPACITY
OF 6M PEOPLE PER ANNUM



ROAD TOLLS
2019 - ZAMBIA RECORDED
POSITIVE TRADE BALANCE

A number of interventions have been implemented in the sectors identified as key drivers and enablers for economic diversification, and job creation. These include:

i. Crop Production:

- Prioritising **investment in agriculture development** for economic diversification agenda. Leading to an **increase in maize production from 2.8 million metric tonnes in 2016 to 3.4 million metric tonnes in 2020**.
- Seed production **increased from 97,000 metric tonnes in 2016 to 129,000 metric tonnes in 2020**.
- During the period 2016 to 2020, the country **exported 108,000 metric tonnes of maize seed to countries in the eastern and southern African regions**.
- Government is also determined to see that the country's national strategic food reserve is **doubled from 500,000 metric tonnes to one million metric tonnes**.

ii. Aquaculture:

- There was an increase in **fish production from 115,000 metric tonnes in 2016 to 127,000 metric tonnes in 2019**.
- Progress has been made in implementation of the **Zambia aquaculture enterprise development project worth 51 million united states dollars aimed at promoting fish production, processing and marketing**.
- 4,119 people out of a target of 12,000**, have so far **benefited** from the project, out of which **1,783 are youth**.

iii. Livestock:

- Government will pay particular attention to **livestock research and development, provision of livestock services, improved animal husbandry, infrastructure development and assisting our farmers to access both capital and markets and promote private sector participation** in order to grow the subsector

iv. Mining:

- On average, the sector accounted for **14% of gross domestic product and 74.4% of total export earnings during the period 2016 to 2019**. During the same period, **copper production averaged 805,000 metric tonnes**.
- In March 2020, Government had **declared gold as a strategic mineral and established the Zambia Gold Company Limited to spearhead gold mining activities in the country**.
- The company has since **began purchasing gold from artisanal and small-scale miners in Rufunsa, Vubwi, Mumbwa and Luano districts**. It also commenced gold mining operations in **Kasenseli area in Mwinilunga district in June, 2020**.
- So far, **13 cooperatives in Rufunsa and Petauke districts have been created and supported to increase production**.
- Government will **enhance the generation and provision of geological information**. In addition, it will continue to **promote mineral exploration, production and value addition in the mining sector**.

v. Tourism:

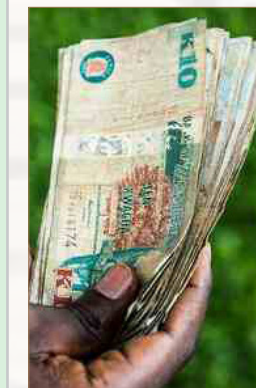
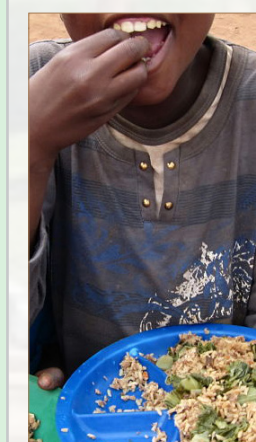
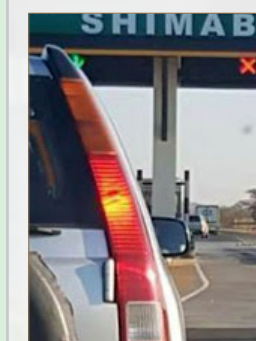
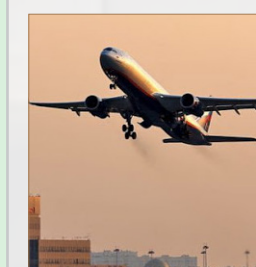
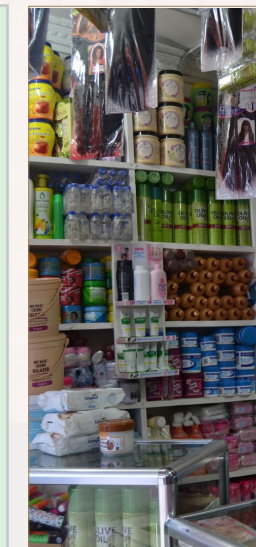
- The sector contributed an **average of 2.5% to the gross domestic product**.
- However, it has been the most affected by the COVID-19 pandemic due to its over-reliance on foreign tourists.

vi. Energy:

- Electricity generation capacity increased from **2,800 megawatts in 2016 to 3000 megawatts in 2020**.
- This was a result of the addition of **160 megawatts** to the existing capacity from hydro, thermal and solar energy sources.
- An additional **750 megawatts** of electricity is expected to come on board by the end of the year after the completion of the **Kafue Gorge Lower Power Station and the Chunga Solar Power Project in Kafue National Park**.
- Current electricity deficit is **810 megawatts**.

vii. Trade:

- The launch of the **Zambia Trade Information Portal** provides all the necessary trade information to facilitate traders' compliance with import, export and transit requirements **will help increase the country's trade capacity**.
- The average trade balance between 2016 and 2018 was negative while in 2019 the country



registered a positive trade balance

- Zambia needs to take advantage of regional initiatives** such as COMESA as well as consolidate its **position and participate in the African Continental Free Trade Area**.

viii. Domestic Market:

- Government is **promoting local content across all manufacturing and trading activities**.
- Buying Zambian is a way of investing in local industries as well as strengthening the Zambian Kwacha**.
- Government has been **implementing programmes such as Multi-facility Economic Zones as well as domestic and foreign direct investment promotion**.
- Manufacturing sector** consequently **grew by an average of 3.2% between 2016 and 2019**.

ix. Industrial Yards:

- Construction of industrial yards has been **completed in Kasama, Chipata and Mongu while progress in Ndola, Solwezi and Kitwe is at 90% and 60% in Kafue district**.
- Once operational, the industrial yards will host **300 small and medium-sized enterprises and create at least 4,000 jobs**.

x. Airports:

- Upgrading of the **Kenneth Kaunda International Airport stands at 90% compared to 84% reported last year**.
- Once completed, the airport will have the capacity to handle traffic of **6 million people per annum, up from 2 million people per annum**.
- Works at the **Copperbelt International Airport are at 76% compared to the 43% reported last year**.

xi. Road Tolls:

- Government has so far rolled out the tolling programme across the country with **34 tolling points consisting of 21 toll stations, three weighbridges and 10 ports of entry**.
- Since inception, **a total of K4.8 billion has been collected in toll revenue**.
- Measures to improve collection are expected to result in **an overall toll revenue collection of K1.4 billion against a budgeted collection of K1.6 billion**.

PILLAR 2 Poverty Reduction and Vulnerability



POVERTY HEADCOUNT
REDUCED FROM 50% IN
2014 TO 44% IN 2018



SOCIAL PROTECTION
4.2M PEOPLE BENEFITING
ACROSS THE COUNTRY



SOCIAL SECURITY
1.5M WORKERS
REGISTERED SINCE 2017

- The Multi-dimensional Poverty Headcount in the country **has reduced from 50% in 2014 to 44% in 2018**.
- During this same period, **poverty in rural Zambia declined from 69% to 59% while in urban areas, it declined from 25% to 18%**.
- Currently, approximately **4.2 million people across the country are benefiting from social protection programmes** such as the **Social Cash Transfer, The Food Security Pack, The Emergency Cash Transfer Scheme and The Supporting Women Livelihoods Programme**.
- The cumulative number of **workers registered with Social Security Schemes since 2017 is about 1.5 million**.

