

PRESIDENTIAL SPEECH INFOGRAPHIC

SECOND SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

THEME "WORKING TOGETHER TOWARDS SOCIO-ECONOMIC TRANSFORMATION:"

PART 4

SEPTEMBER 2022

PREPARED BY



Research and Analysis and Communications
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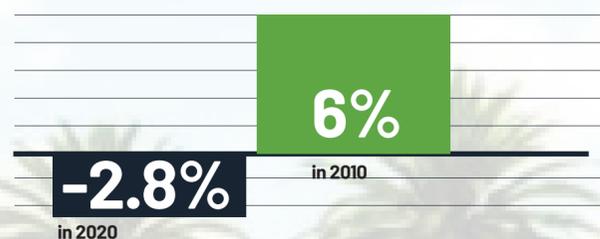


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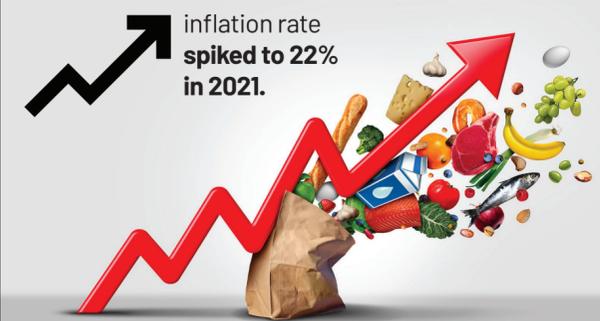
MACRO-ECONOMIC SITUATION

STATE OF THE PRECEDING ECONOMY

- Growth had contracted to **-2.8%** in 2020, from an average of **6%** a decade ago.



- The economy experienced runaway inflation rate spiked to 22% in 2021.



- The exchange rate deteriorated to **K22/\$1** by July of 2021.



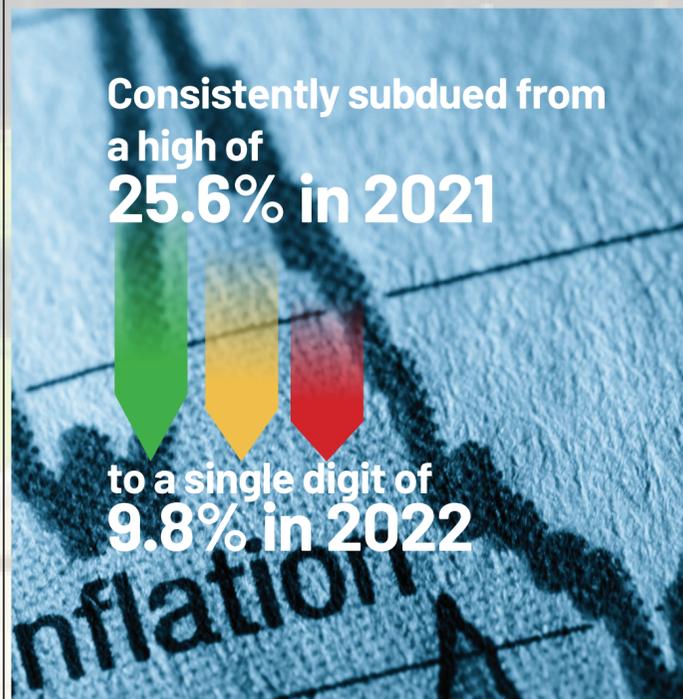
- The financial sector was gripped by **exorbitantly high lending rates and tight liquidity, making it costly for individuals and businesses to access financing.**
- National foreign exchange reserves had been decimated to **1.9 months of import cover** – way below the internationally recommended threshold of three months import cover.
- Fiscal management was excessively deficient, and was **characterized by poor resource allocation, reckless borrowing which increased the cost of debt service – resulting in debt defaults.**

STATE OF THE CURRENT ECONOMY

- The economy is on a positive growth trajectory and projected to grow at an average of 4% in the medium term.



- Inflation has been **consistently subdued from a high of 25.6% in August 2021, to a single digit of 9.8% as at August 2022** – putting the economy on course to achieving targeted inflation of **6%–8%** range for the medium term.



- The exchange rate has stabilized against major convertible currencies, making it one of the best performing currencies in the world.
- Foreign exchange reserves have been restored to **3.7 months of import cover as at end of June 2022, enough to absorb any external shocks and give assurance to investors to continue investing in the country.**
- The Government has within a year managed to stabilize the economy.

IMF DEAL

- The Government is now focused on **resolving one of biggest economic challenges – the debt crisis.**



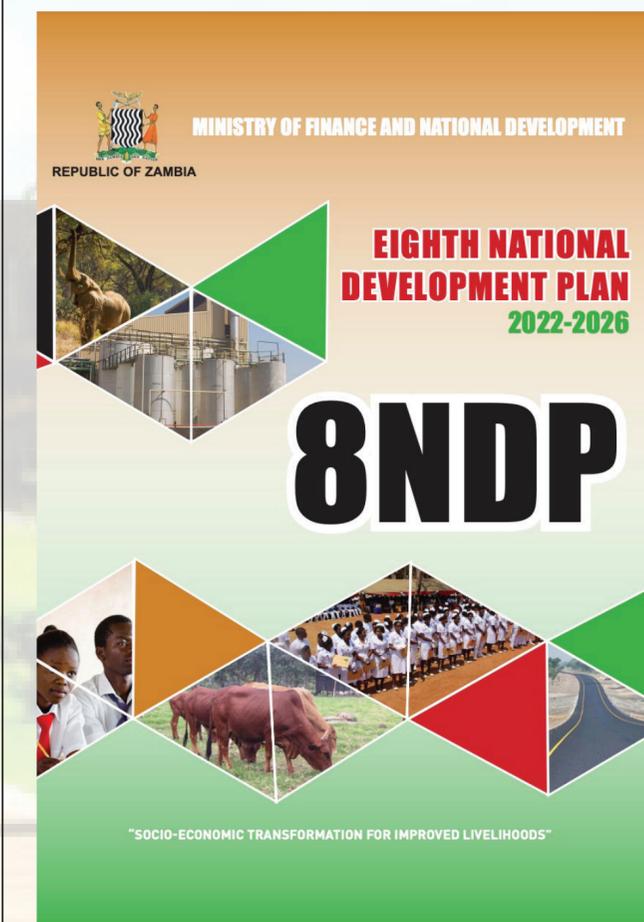
- The International Monetary Fund (IMF) with the **support of domestic and international partners under the G20 common framework has approved support towards Zambia's home-grown economic program.**



- The IMF deal puts the **country on course to restructuring its debt.**
- The IMF package will free up the much-needed resources to **support local economic development agenda as espoused in the Eighth National Development Plan (8NDP).**

EIGHTH NATIONAL DEVELOPMENT PLAN (8NDP)

- The Government is committed to ensuring continued **prudent fiscal management by reforming public financial management systems and laws, as well as enhancing transparency and accountability.**



- The Government launched the Eighth National Development Plan (8NDP) 2022-2026 under the theme "**Social Economic Transformation for Improved Livelihoods**" in order to entrench home-grown reform programme and set the country's strategic direction.
- The focus of the 8NDP is to **restore macroeconomic stability by raising real GDP growth, as well as attaining debt and fiscal sustainability to improve the livelihoods of the Zambian people, especially the most vulnerable.**
- In addition to the 8NDP, the 2023 national budget shall outline specific macro-economic objectives that Government seeks to achieve, as well as key developmental interventions to be implemented in 2023.