1. Madam Speaker, I beg to move that the House do now resolve into Committee of Supply on the Estimates of Revenue and Expenditure for the period 1st January, 2022 to 31st December, 2022 presented to the National Assembly on Friday, 29th October, 2021. This is pursuant to Article 202 Clause 3 of the Constitution of Zambia (Amendment) Act No. 2 of 2016.

2. Madam, I am a bearer of a message from His Excellency, Mr. Hakainde Hichilema, President of the Republic of Zambia, recommending favourable consideration of the motion that I now lay on the Table.

3. Madam Speaker, let me start by congratulating you and the entire presiding leadership of this House on your election following the August 2021 General Elections. Today, history is being made because, for the first time since independence, the processing of the National Budget in this House will be presided over by a female Speaker, assisted by another female as First Deputy Speaker and a man as Second Deputy Speaker.

4. Madam, it is my honour and privilege to present the 2022 Budget. This is the second time that I am being entrusted with the task of being Minister of Finance and National Planning. May I take this opportunity to thank His Excellency the President for according me the honour to, once again, serve the Zambian people.

5. Madam Speaker, I also take this opportunity to acknowledge the work of my predecessor, Dr. Bwalya K.E. Ng’andu, in running the economic affairs of the country especially as he tried to find solutions to the crippling indebtedness of the country.
6. Madam, I spent the last ten years as an opposition Member of Parliament for a poor rural constituency. From this experience, I have learnt valuable lessons which I will apply in the management of the Treasury. I trust that, with the guidance of the President, who himself is very passionate about rural development, our rural and other areas facing poverty will receive increased attention.

7. Madam Speaker, this Government has inherited an economy suffering from the effects of extreme indebtedness and COVID-19. The immense task we have as a New Dawn Government is not only to overcome these effects but also to transform the economy, help the poor escape the vicious cycle of poverty and bring prosperity to all Zambians.

8. Madam, during the official opening of the First Session of the Thirteenth National Assembly, His Excellency, Mr. Hakainde Hichilema, President of the Republic of Zambia, outlined the policy direction that the New Dawn Government will take in the next five years.

9. Madam Speaker, the President emphasised the need to rebuild the economy, deliver jobs and better the livelihoods of our people. He also placed emphasis on creating an environment to invigorate economic activity in which every citizen will have the opportunity to participate and benefit.

10. Madam, concerns have been expressed that the promises we made during the campaigns were made for the sole purpose of winning elections. We stand by our campaign promises of yesterday, today and the future. The 2022 Budget is, therefore, the first step towards achieving our vision of transforming the economy.

11. Madam Speaker, it is in this context that the theme for the 2022 Budget is: ‘Growth, Jobs and Taking Development Closer to the People.’

12. Madam, to transform our economy, this Budget
provides incentives to support higher output and production of a wider range of products. This will create employment opportunities for our people and in turn improve their livelihoods.

13. Madam Speaker, through this Budget, we will increase support to the social sectors and social protection programmes. Further, resources will be taken closer to the people to improve service delivery and involve citizens in decision-making. This is a message of hope for all Zambians to participate in taking the nation forward.

14. Madam, my Budget Address this afternoon will be in four parts. In Part One, I will highlight the global and domestic economic developments in 2021. In Part Two, I will present the macroeconomic objectives, policies and strategies for 2022. In Part Three, I will provide the details on the estimates of revenue and expenditure for 2022 and in Part Four, I conclude my Address.

Part I

GLOBAL AND DOMESTIC ECONOMIC DEVELOPMENTS IN 2021

Global Economic Developments

15. Madam Speaker, the global economy is expected to rebound this year and grow by 5.9 percent. Last year, the global economy contracted by 3.1 percent. The recovery in growth this year is attributed to the relaxation of COVID-19 restrictions that allowed for the resumption of economic and other activities. Further, increased spending by governments and provision of liquidity by central banks aided the recovery.

16. Madam, commodity prices have maintained an upward trend as the global economy is recovering. The average price of copper from January to September 2021 was US $9,194 per tonne compared to US $5,834 over the same period in 2020. Similarly, average crude oil prices rose to US $68 per barrel from US $43 over the
same period. Currently, copper prices stand at US $9,850 per tonne. More recently, crude oil prices have shot up to US $84 per barrel due to constrained supply.

**Domestic Economic Developments**

**Economic Growth**

17. Madam Speaker, it is desirable that an economy must grow at all times as measured by the Gross Domestic Product (GDP). GDP measures the growth in the value of goods and services produced in the economy per annum, which must always increase. At the very least, we must consistently grow the economy at a rate higher than population growth currently estimated at 2.8 percent. This is to ensure that the economy is able to meet the demands of a growing population.

18. Madam, the economy is steadily recovering from the adverse effects of the COVID-19 pandemic. Preliminary estimates indicate that real GDP for the first quarter of 2021 grew by 0.5 percent and improved to 8.1 percent in the second quarter. Overall, the economy is projected to grow at 3.3 percent in 2021 against a contraction of 2.8 percent in 2020. This growth is, however, not sufficient to impact the high poverty levels that subsist in the country and to achieve our vision of becoming a prosperous country.

**Budget Performance**

19. Madam Speaker, the overall budget performance was unfavourable. This was on account of higher than planned expenditure despite revenue exceeding the target.

20. Madam, over the first nine months of 2021, revenues and grants amounted to K77.0 billion against the target of K51.1 billion, giving a positive variance of 50.7 percent. The positive performance was mainly attributed to a dividend receipt from Bank of Zambia, higher collections from mineral royalty and corporate income tax from mining firms. The improved collections from the mining
sector were mainly driven by higher copper prices and the depreciation of the Kwacha against the United States dollar.

21. Madam Speaker, total revenues and grants for the fiscal year 2021 are projected at K96.8 billion against the target of K68.0 billion.

22. Madam, total expenditure for the period January to September 2021 amounted to K112.9 billion and was 25.7 percent above the target of K89.8 billion. This was largely due to higher than programmed spending on subsidies on agricultural inputs and fuel, election related expenditure as well as domestically financed capital projects.

23. Madam Speaker, expenditure to year-end is projected at K139.0 billion, 16.2 percent above the target of K119.6 billion.

24. Madam, when we spend more than we have generated in revenues and grants, we create a fiscal deficit. That deficit requires that we borrow either from domestic or external sources. Repeatedly done, the borrowings grow too big and the servicing of even just the interest charges becomes a problem. The fiscal deficit, on a cash basis, is projected at K39.0 billion or 10.4 percent of GDP by the end of 2021, which is above the target of 9.3 percent.

25. Madam Speaker, the level of our fiscal deficit and debt is unsustainable. This is so because as we pay external debt a lot of the foreign exchange that we earn leaves the country contributing to the falling value of the Kwacha. And, of course, servicing huge amounts of both external and local debt reduces the financial resources that remain for other purposes.

26. Madam, we must gradually reduce the deficits and debts to restore fiscal and debt sustainability.

Debt Position

27. Madam Speaker, the stock of public external debt amounted to US $14.71 billion
as at end-September 2021. Of this amount, central Government external debt was US $12.99 billion while guaranteed and non-guaranteed external debt for State Owned Enterprises was US $1.56 billion and US $164.52 million, respectively.

28. Madam, Central Government external debt increased by 2.0 percent to US $12.99 billion as at end September 2021 from US $12.74 billion as at end December 2020. This was on account of disbursements from multilateral creditors and few other creditors funding priority projects, particularly in the health sector. The stock of Central Government external debt includes US $1.2 billion principal arrears arising from the ongoing debt service standstill. Government has also accumulated interest arrears amounting to US $600.4 million.

29. Madam, the stock of Government guarantees was US $1.56 billion as at end-September 2021. The state-owned power utility company, Zesco, including the Kafue Gorge Lower Hydropower Project, accounts for 93 percent of these guarantees.

30. Madam Speaker, the stock of Government securities, that is, treasury bills and bonds, rose by 45.7 percent to K189.7 billion as at end-September 2021 from K130.2 billion as at end-December 2020. The increase was largely attributed to issuance of bonds to finance agricultural and fuel subsidies as well as COVID-19 related expenditures.

**Domestic Arrears**

31. Madam Speaker, the stock of audited Central Government domestic arrears, or pending bills, excluding fuel and electricity, amounted to K46.9 billion as at end-June 2021 from K41.0 billion in December 2020. The bulk of the arrears are to road contractors, suppliers of goods and services, Value Added Tax refunds and personnel related emoluments to public service workers. The build-up in domestic arrears is largely due to budget
constraints and weak commitment control systems.

32. Madam, fuel arrears have significantly risen due to the price differential between the landed cost of petroleum products and the pump price. The stock of fuel arrears as at end-August 2021 stood at US $477.79 million.

33. Madam Speaker, Government cannot afford to keep on accumulating arrears in the manner we have been doing. We must address the causes of these arrears whether it is subsidies or giving out contracts when Government knows it has no money to pay.

**Monetary and Financial Performance**

34. Madam Speaker, prices of consumer goods and services have been on an upward trend in the first ten months of 2021. Inflation averaged 22.9 percent compared to 15.2 percent over the same period in 2020. This was beyond the target of keeping inflation between 6 and 8 percent. When the prices of commodities rise too rapidly, it means that the Kwacha buys fewer goods and services and subsequently makes our people worse off.

35. Madam, the rise in inflation is largely due to the sustained increase in food prices induced by constrained supply of meat, fish and vegetables as well as the depreciation of the Kwacha.

36. Madam Speaker, one of the consequences of rising inflation coupled with huge appetite for borrowing by the Government is high interest rates which constrain our people and businesses from borrowing to invest. Thus, average commercial banks’ lending rates remained high at 25.9 percent in September 2021. This is compared to 25.1 percent in December 2020.

37. Madam, Kwacha denominated credit to the private sector grew by 41.9 percent in August 2021 against the contraction of 0.9 percent in August 2020. The increase was partly attributed to disbursements from the
Bank of Zambia to support businesses through the Targeted Medium-Term Refinancing Facility. Credit to Government to meet domestic financing needs continued to expand, albeit at a slower pace, growing by 29.3 percent, year-on-year, in August 2021 compared to 61.7 percent in August 2020.

38. Madam Speaker, the banking sector is the lifeline of business. The sector has remained resilient despite the economic challenges caused by the COVID-19 pandemic. The sector was well capitalised, supported by stable profitability as well as prudential measures taken by the Bank of Zambia to safeguard financial stability in the wake of COVID-19.

39. Madam, the ratio of non-performing loans to total loans, at 7.7 percent at end-August 2021, was below the maximum prudential threshold of 10.0 percent from 11.6 percent at end-December 2020. The restructuring of distressed credit facilities for businesses severely impacted by the COVID-19 pandemic, through the Targeted Medium-Term Refinancing Facility, supported the improvement in loan performance.

40. Madam Speaker, in contrast, the non-bank financial institutions sector continues to face challenges, with the ratio of non-performing loans to total loans rising to 23.1 percent in August 2021 from 20.4 percent in December 2020. This was above the prudential maximum benchmark of 10.0 percent. The unfavourable performance was largely due to poor underwriting procedures and delayed remittance of third-party payments on civil servants salary-backed loans. Government has since cleared all outstanding third-party payments to non-bank financial institutions.

External Sector Performance

41. Madam Speaker, regrettably, since independence, the value of our exports has predominantly been from copper despite the
enormous potential to export other products. The dependence on copper has left us vulnerable to external shocks. This situation needs to be addressed and I will elaborate further on measures the New Dawn Administration will implement to support export diversification.

42. Madam, preliminary data indicate that Zambia exported more goods and services than we imported by US $1.5 billion during the first half of 2021 compared to US $1.0 billion during the same period in 2020. This was largely due to the increase in the value of copper exports. Our exports amounted to US $5.1 billion and were dominated by copper which contributed US $4.0 billion to total exports.

43. Madam, as at end-August 2021, gross international reserves amounted to US $2.9 billion, representing 5.5 months of import cover, from US $1.20 billion, representing 2.4 months of import cover, at end-December 2020. This was explained by the receipt of Special Drawing Rights equivalent to US $1.33 billion from the International Monetary Fund in August 2021 as well as net market purchase of foreign exchange by Bank of Zambia.

44. Madam, with regard to exchange rate, the Kwacha strongly appreciated between December 2020 and September 2021 mainly on account of improved portfolio investment flows. The Kwacha appreciated by 22.4 percent to a monthly average of K16.37 per US dollar in September 2021 from K21.09 in December 2020.

Part II

MACROECONOMIC OBJECTIVES, POLICIES AND STRATEGIES FOR 2022

45. Madam Speaker, it is clear from the developments I have just outlined that our economy is at crossroads. Growth is low, debt has reached unsustainable levels, fiscal space or public finances are constrained and the cost of living has escalated beyond
the reach of many Zambians. In addition, successive strenuous COVID-19 waves continue to cause damage to the economy and create uncertainty to the growth outlook.

46. Madam, addressing these challenges will require dedication, determination and hard work from all of us. To move forward, the New Dawn Administration plans to achieve the following macroeconomic objectives for 2022:

a) Attain a real GDP growth rate of at least 3.5 percent;
b) Reduce inflation to single digits by end-2022 and within the target band of 6-8 percent by mid-2023;
c) Limit international reserves to at least 3 months of import cover;
d) Increase domestic revenue to not less than 21.0 percent of GDP;
e) Reduce the fiscal deficit to no more than 6.7 percent of GDP; and
f) Limit domestic borrowing to no more than 5.2 percent of GDP.

47. Madam Speaker, the strategy to achieve these objectives will be founded on four thematic areas as outlined in the Presidential Address delivered on the Official Opening of the First Session of the Thirteenth National Assembly. The Address provided the policy direction for the development of the Eighth National Development Plan and the 2022 Budget. The four thematic areas are:

a) Economic Transformation and Job Creation;
b) Human and Social Development;
c) Environmental Sustainability; and
d) Good Governance Environment.

ECONOMIC TRANSFORMATION AND JOB CREATION

48. Madam Speaker, I have come to this august House with a Budget that begins our journey towards economic
transformation. This is a journey of paying very special attention to getting our economy to grow strongly year after year. It means producing and selling more minerals, raw agricultural products, processed agricultural products, manufactured items, services and others. It is the growth in production that will increase wealth and end poverty.

49. Madam, it is this growth that will create jobs. It is this growth that will lead to more taxes being collected to pay for the health of our people and the education of our children. It will be this growth that will enable us to pay our debts and clear arrears without excessively tightening our belts. It will be this growth that will earn us more dollars.

50. Madam Speaker, this will neither be a sprint nor a marathon but a well-paced and thought out race. It is a race travelled by other countries, especially in Asia, where some were poorer than us in 1964 and have now reaped the rewards of economic transformation. The key is to expand production in as many sectors as possible year after year. In the initial stage, our focus will be to increase output in agriculture, tourism, mining, manufacturing, energy and transport sectors to grow the economy and create employment opportunities, especially for the youth.

51. Madam, economic transformation will entail shifting resources to activities of higher productivity both within and across sectors of the economy.

**Agriculture, Livestock and Fisheries Sector**

52. Madam Speaker, agriculture presents us the best opportunity to attain growth especially that the majority of our people, about 60 percent, are dependent on it. This sector has a relatively short gestation period with low capital requirements, readily available labour, abundant water resources and the blessing of arable land.
53. Madam, the sector, however, has for a long time faced a number of structural and other impediments to the realisation of its full potential. These include, low production and productivity, limited market access, under-developed value chains and dependence on rain-fed agriculture. In the recent past, the frequency and intensity of climate events has also negatively impacted the sector.

54. Madam, the current Farmer Input Support Programme, delivered through a combination of the Direct Input Support (DIS) and electronic voucher system (e-voucher), has a number of challenges. The Direct Input Support mode of delivering inputs is unsustainable to the Treasury with expenditures increasing significantly over the years with limited change in the number of beneficiaries and input package. It is also characterised by serious challenges in delivery as beneficiaries have received fewer inputs than what they have paid for. Similarly in areas where the e-voucher system is being used, some farmers have not been receiving inputs despite making a contribution. Further, there has been no equity in terms of benefit between the two delivery modalities.

55. Madam Speaker, there is, therefore, need to comprehensively address these challenges. To this effect, Government will implement a new comprehensive agriculture support programme commencing in the 2022/2023 season. This programme will be cost effective, better targeted and equitable across beneficiaries. It will also support the supply of quality inputs, attain diversification of crops as well as increase production and productivity.

56. Madam, it is only right that we continue to support our small-scale farmers for the reasons that we all know. But we can do more in agriculture by promoting large scale estate production for both domestic and export
markets. The estates can employ many people at different levels of skills, create associated business opportunities, support agro-industry, support viable out-grower schemes and earn foreign exchange.

57. Madam Speaker, a good example of a successful estate is the Nakambala Sugar Estate. A successful agricultural estate in fact can employ as many people, directly and indirectly, as a mine. Engineers, agronomists, technicians, drivers, clerks and many more will all find jobs on estates. The creation of viable farm blocks all over the country is, therefore, imperative in our quest to quickly create jobs for the youth.

58. Madam, the Government will promote the establishment of large-scale agricultural estates across the country that will produce and process agricultural products that are suitable in the respective areas. The vehicles for doing so will be farm blocks which are sometimes also called growth poles. The task of Government in realising this initiative is to provide the necessary infrastructure for farm blocks to be operational.

59. Madam Speaker, the Government is already discussing with some Cooperating Partners to secure both the technical and financial support for the development of some farm blocks, for example the Nansanga farm block, which had been abandoned in the last ten years. Let me inform this august House that background work started this year and I am hopeful that actual work will commence by mid next year. The Government will also aggressively pursue the development of other farm blocks and the nation will be kept informed of these developments.

60. Madam, to reduce dependence on rain-fed agriculture, Government will complete and operationalise the ongoing irrigation infrastructure projects. We will also mobilise highly
concessional financing for irrigation equipment for small-scale farmers.

61. Madam Speaker, to boost agriculture production, I will, in Part Three announce measures to support agriculture mechanisation.

62. Madam, in the livestock sub-sector, Government will recruit more extension officers to enhance provision of services to livestock farmers across the country. Livestock farmers will also be trained in open grazing management practices while animal disease prevention and control programmes will continue. Government is also investing in a liquid nitrogen plant that will support increased use of artificial insemination. All these interventions are aimed at increasing production and productivity in the subsector.

63. Madam Speaker, in line with the New Dawn Administration agenda of alleviating poverty, we will empower youth and female headed households through livestock stocking and re-boxing as well as support for livestock infrastructure.

64. Madam, with regard to the fisheries sub-sector, the country in 2020 produced 94,943 metric tonnes of fish from our natural water bodies and 45,670 metric tonnes of fish under aquaculture. However, the country remains a net importer of fish. In 2020, the country imported an estimated 80,000 metric tonnes of fish. The sub-sector has potential to meet domestic demand, penetrate regional export markets and contribute significantly towards job creation.

65. Madam Speaker, notwithstanding the growth, the sub-sector faces numerous challenges such as overfishing from our natural water bodies and limited investment in fingerling and fish feed production. To counter these challenges, we will strengthen monitoring and fisheries conservation efforts in our natural water bodies. Further, to complement efforts by the private sector, aquaculture production will be supported
through the establishment of additional hatcheries and completion of other infrastructure such as aquaculture parks. These investments are expected to increase fish production under aquaculture to 61,000 metric tonnes in 2022.

**Tourism Sector**

66. Madam Speaker, the New Dawn Administration has identified tourism sector as another key sector in our transformative agenda as it stimulates economic growth. Recently, the sector has been severely hit by the COVID-19 pandemic.

67. Madam, cognisant of the expected gradual recovery of the global tourism market, relief measures provided to the sector this year will be extended for another year. In addition, a stable economic landscape will be maintained to reduce the cost of doing business in the sector. This will include the review of the multiplicity of licences.

68. Madam Speaker, growing the tourism industry requires that the areas available for visitation must be diversified so that Zambia receives more tourists who also spend more nights. Presently, Livingstone and the Victoria Falls area dominate. In the next five years, Government will develop other parts of the country by establishing the necessary infrastructure and regulatory framework that will make them attractive for the private sector to establish hotels, lodges and other tourism facilities.

69. Madam, like in the case of agriculture, development partners and other stakeholders have been engaged to undertake studies with a view to launching some tourism related projects in 2022. Of immediate interest in this respect is the need to complete developments at Kasaba Bay in the Northern Circuit, which had been abandoned in the past ten years, and the Liuwa National Park.

70. Madam Speaker, Zambia is scheduled to host the African Union Assembly of Heads of State and
Government next year. This presents an opportunity for the country to market itself as a favourable tourist destination. I urge the tourism sector players to take advantage of the forthcoming Summit to market our country and offer attractive tour packages to our visitors.

**Mining Sector**

71. Madam Speaker, the mining sector remains critical to the Zambian economy as it is the main contributor to foreign exchange earnings. This role is destined to grow in importance due to the rising demand for copper boosted by its vital role in a number of rapidly growing industrial sectors such as manufacturing of electric vehicles. The buzzword is that copper will be as lucrative as oil was in the mid-1970s.

72. Madam, to benefit from the expected copper boom, Zambia must not depend just on the high prices. Rather, it is now time to ramp up production. The New Dawn Administration will facilitate the increase in copper output from the current 800,000 to over three million metric tonnes in a decade. This means existing mines must produce more while new mines must be opened. Complications surrounding the existing mines will be addressed.

73. Madam Speaker, the targeted copper production level will bring higher earnings, more jobs, business opportunities, taxes and foreign exchange. As an example, three million tonnes will keep our railways and truckers extremely busy in terms of transportation to the ports. The Government will ensure that Zambians will not be by-standers in this boom. I will outline the measures in Part Three of my Address to attract more investment in the sector.

74. Madam, the Government will promote diversification and value addition, not only to copper, but also to gemstones, manganese and other high value minerals like gold. I am aware of local companies that intend to expand their mining operations while new
investors have expressed interest in setting up new plants. I, therefore, urge these and other investors to take advantage of the reforms in the sector and add value to our mineral resources.

75. Madam Speaker, to promote the growth of small-scale mining and address illegal mining, Government will formalise operations of artisanal miners through formation of cooperatives especially for the youth and women. The cooperatives will be equipped with skills and knowledge to enhance their productivity, as well as training in safe mining practices. These interventions will not only address illegal mining practices but also create employment. In addition, we are currently undertaking a comprehensive audit of the mining licences issued that will be help us develop and implement reforms to enable Zambians participate in their own right or in partnership with foreign investors.

Manufacturing and Industrialisation

76. Madam Speaker, to create jobs and achieve higher economic growth, Government will support value addition to products from the agriculture, forestry and mining sectors. We will promote the growth of the manufacturing sector by facilitating trade and investment as well as enhance the competitiveness of local products.

77. Madam, to attract investment and help to concretise value addition, the New Dawn Government will reinvigorate the programme of Multi-Facility Economic Zones and industrial parks. This will be achieved through the provision of tax incentives that will attract private sector investment into these zones. I will elaborate on this in Part Three of the Address. Apart from the tax incentives, we shall undertake a comprehensive review of the investment promotion strategy.
78. Madam Speaker, the Zambian internal market is too small to support sustained production of most goods such as crops, livestock products and manufactured products. Expanding output therefore requires that we penetrate regional and international markets. Access to export markets will be promoted through trade missions as well as provision of trade facilitation and support services to markets such as the Tripartite Free Trade Area and African Continental Free Trade Area.

79. Madam, export-led growth also requires reliable but cheap transportation to sea ports. Short of that, it will be hard to be price competitive. In this regard, discussions are underway with Cooperating Partners to look into the modalities of improving our railway systems. In the same vein, steps are being taken to significantly improve services at our borders in order to minimise delays. Subject to agreement with neighbouring countries, some of the border posts are planned to operate 24 hours a day.

80. Madam Speaker, to facilitate trade to the Great Lakes region, the capacity of Mpolungu port will be expanded in the medium-term to handle more than 800,000 metric tonnes of cargo per annum from the current 200,000 metric tonnes.

81. Madam, to help reduce the cost of doing business, Government will rationalise the number of licences and permits required to operate. To further support business growth and expansion, Government will amend the National Pension Scheme Act Cap 256 of the Laws of Zambia, to make the penalty regime less punitive to employers. This will also encourage compliance and registration of new employers.

Small and Medium Enterprise Development

82. Madam Speaker, small and medium enterprises play a key role in boosting growth and job creation. It is on this basis that His Excellency, the
President of the Republic of Zambia, established a dedicated Ministry of Small and Medium Enterprise Development. The Ministry is responsible for policy as well as the development, mentorship and incubation of SMEs.

83. Madam, to enhance the smooth operations of SMEs, the New Dawn Administration will provide support to SMEs and cooperatives ranging from infrastructure development as well as access to markets and credit. We already have ongoing work in construction of industrial yards.

84. Madam Speaker, with regard to access to credit, I am glad to inform this august House that various international institutions such as the UKAid and European Investment Bank have come on board. This is in addition to our local institutions which have products tailored for SMEs. We have also made provisions to guarantee the borrowing of SMEs through the Zambia Credit Guarantee Scheme.

85. Madam Speaker, the energy sector is key to economic transformation. The focus will be on the development and management of energy resources in a sustainable manner.

86. Madam, currently the energy sector is faced with many challenges. In the electricity sub-sector, tariffs are not cost reflective hence the low private sector investment. In the petroleum sub-sector, the procurement of petroleum products has been plagued by inefficiency and non-cost reflective prices.

87. Madam Speaker, to ensure an effective and efficient energy sector, reforms will be undertaken in the electricity and petroleum sub-sectors. In the electricity sub-sector, we will implement a Renewable Energy Investment Plan that will improve the energy mix. This will reduce our vulnerability to climate shocks by leveraging the declining cost of technologies to harness our
vast solar resources, complemented by wind and geothermal energy.

88. Madam, it is not a secret that the efficiency of Zesco under the existing corporate structure has been questioned. This will be reviewed. Additionally, the Power Purchase Agreements are being re-negotiated as part of the strategy to sustain the company.

89. Madam Speaker, to attract investment within the electricity sub-sector, we will implement cost-reflective tariffs. We will work with countries in the region to accelerate the integration of electricity infrastructure projects to improve access to the regional power markets.

90. Madam, we will also scale-up the programme of rural electrification through the extension of the grid network and deployment of off-grid electrification solutions.

91. Madam Speaker, in the petroleum sub-sector, Government will restructure the fuel supply chain to achieve least cost pricing while ensuring stable supply of petroleum products. As you may be aware, the design of the existing petroleum supply lines were largely motivated by the geo strategic realities of the 1960s as Zambia sought to disengage from the economic connections with Southern African countries. Economic efficiency was considered secondary.

92. Madam, here is an example of the inefficiencies that exist today. Fuel may come into Zambia from Dar es Salaam. Whether it comes in form of raw stuff for the Indeni Refinery or finished imported stuff, it travels all the way to the storage tanks in Ndola. From Ndola, some of that fuel returns to Mpika, Kasama and even Nakonde – where it passed through enroute to Ndola. This inefficiency contributes to the high cost of fuel unless it is subsidized. After 57 years of independence, it is time to redesign the supply lines so as to achieve efficiency. This is what the Government is doing
right now so as to remove the inefficiencies.

**Transport Sector**

93. Madam Speaker, transport infrastructure and systems are the arteries through which the economy pulses. Good roads, rail, air and maritime infrastructure are the backbone for facilitating economic activities as well as trade and investment domestically and within the region and beyond.

94. Madam, in road transport, priority will be placed on maintenance, rehabilitation and upgrading of feeder roads. We have commenced the Improved Rural Connectivity Project to maintain and rehabilitate a total of 4,300 kilometers of rural feeder roads. Emphasis will also be placed on rehabilitation of economic roads some of which are in a bad state such as the Lusaka-Ndola, Chinsali-Nakonde and Kazungula-Sesheke roads.

95. Madam Speaker, railway transport has been facing a number of challenges, the major one being the poor state of the infrastructure. To ensure sustainability, priority in the near-term will be maintenance of the infrastructure.

96. Madam, the financing requirements to construct new roads as well as rehabilitate and maintain existing roads is beyond the financial capacity of the Government. The same applies to railway infrastructure. This will remain so for a long time because of the previous practice of awarding road contracts even when there was no money to pay the contactors. Arrears in the road sector have risen to almost a billion US dollars.

97. Madam Speaker, Government will, therefore, aggressively pursue Public Private Partnerships in the overhauling of the existing line and construction of new railway spurs as well as roads. I have no doubt that the Public Private Partnership mode of financing will be very successful because, already,
we have received many proposals.

98. Madam, in the aviation sub-sector, focus will be on the completion of Kasama and Mbala airports. Further, rehabilitation and maintenance of provincial airports and aerodrome will continue to facilitate air transport for both cargo and passengers.

Information and Communication Technology Sector

99. Madam Speaker, Information and Communication Technology (ICT) enables economic growth by facilitating delivery of services through the internet and mobile broadband. In the advent of the COVID-19 pandemic, this sector has proved to be vital in social and economic affairs of the country.

100. Madam, ICT is an important tool for innovation and financial inclusion. It is increasingly creating employment opportunities for the youth in various sectors such as transport, trade and financial services. To enhance these opportunities, Government will increase the number of communication towers so that this technology reaches all our citizens, especially in unserved and underserved areas. The New Dawn Administration will actualise the digital transformation agenda.

HUMAN AND SOCIAL DEVELOPMENT

101. Madam Speaker, we must put people at the centre of development. This is not so for its own sake. It is good economics because it is now common knowledge that a country with skilled and healthy people can achieve development even if it has no natural resources. We have, therefore, made significant allocations to education, skills development and health. We have also scaled up allocations to water and sanitation as well as provision of social safety nets.

102. Madam, let me now elaborate on these aspects.
Education and Skills
Development

103. Madam Speaker, the New Dawn Administration believes that education is the greatest equalizer. Sound education requires teachers. Unfortunately, most of our schools, especially those in rural areas, do not have enough teachers. It is not uncommon to find only two or three teachers at schools with grades one to seven or even grades one to nine.

104. Madam, despite this limited number of teachers in some schools, there are at least 55,000 young trained teachers who have not been employed. Some have been waiting for six years or more post training to be hired. The New Dawn Administration has found money to recruit teachers and it will always prioritise education.

105. Madam Speaker, for the first time in the history of this country, we will recruit 30,000 teachers in 2022. This is more than we have hired in the past ten years put together. The recruitment will help reduce the backlog of unemployed teachers. Over the next five years, the Government will continue to hire more teachers in net terms and the plan is to be current by 2026.

106. Madam, these recruitments are aimed at improving the quality of education by reducing the pupil-teacher ratios. The teachers will be deployed equitably to serve in all districts.

107. Madam Speaker, the Government is aware that in some instances, the shortage of teachers is because some of them do not want to serve in remote places. They join the teaching service merely for the purpose of getting a job but thereafter insist on transfers so as to serve in urban or in peri-urban areas. Government will work out measures within 2022 to end this practice, bearing in mind that the best interest of the school children is paramount above everything else.

108. Madam, to further improve the quality of education through the
provision of teaching and learning materials, grants to primary schools will be increased three-fold in 2022.

109. Madam Speaker, to increase access to education, Government will construct an additional 120 secondary schools. The financing for this initiative will be through a concessional loan I recently signed with the World Bank under the Zambia Education Enhancement Project. This loan is payable over 30 years.

110. Madam, the United Party for National Development has always advocated for free education for the child whose family is unable to pay. It is such support during the UNIP era that enabled many of us to be where we are today. We shall always be committed to this ideal. As such, the 2022 Budget envisages concrete steps towards this goal. Government already provides free educational services for learners at primary school level. At secondary school level, however, learners currently pay. Typically, they pay K600 per annum per child for tuition when not in boarding. If in boarding, they pay a total of K3,600 inclusive of K600 tuition fee. In addition, Parent Teachers Association fees and examination fees are paid.

111. Madam Speaker, tuition, Parent Teachers Association and examination fees that learners pay in public schools will be abolished. For the avoidance of doubt, the fees charged at public early childhood and secondary schools for a child to be allowed to attend class are done away with. To this end, grants from the Government to public schools will be increased to meet the operational costs that were previously financed by the fees.

112. Madam, regarding boarding fees for secondary school learners, a bursary scheme will be introduced for vulnerable learners. The beneficiaries for bursaries will not be chosen from Lusaka or provincial headquarters and not even at the district level. Rather, it will be determined at the community level in the constituencies, possibly at
ward level. The provision of the budget for the bursaries will be through the Constituency Development Fund.

113. Madam Speaker, I am sure you will agree with me that in a situation where the most deserving children must be identified, the community itself provides the best possibility for making a determination because such children are known within their locality. The exact modalities are being worked out ahead of the opening of schools in 2022.

114. Madam Speaker, to ensure that the girl child has equitable opportunities to quality education as a boy child, Government will address challenges that the girl child faces such as walking long distances to school, early marriages, menstrual hygiene and unwanted pregnancies. In this regard, we will expand the support to the girl child through the Keeping Girls in School Programme from the current 28,964 in 2021 to 43,520 girls in 2022.

Health Sector

115. Madam Speaker, just like in the education sector, the New Dawn Administration is breaking the record of recruitment in the health sector. In 2022, we will recruit and equitably deploy 11,200 health personnel. This is unprecedented. The amount we have provided for in the budget will also enable the Ministry of Health to put on payroll health staff who have been working without receiving salaries.

116. Madam, the recruitment will improve the quality of healthcare while reducing the backlog of unemployed frontline health personnel. Measures have been put in place to improve supply management systems to ensure availability of essential medicines and medical supplies. The procurement of medicines and medical supplies will be undertaken by Zambia Medicines and Medical Supplies Agency in accordance with the Zambia Medicines and Medical Supplies Agency Act No.9 of
2019. Further, we will prioritise equipping and re-equipping of health facilities with modern equipment.

**117.** Madam Speaker, to increase access to quality and affordable healthcare, Government will continue with the programme of construction and completion of health infrastructure throughout the country. To ensure that healthcare is affordable, we will reform the National Health Insurance Scheme to benefit all.

**118.** Madam Speaker, to further enhance healthcare in the country, Government will partner with the private sector to create centres of specialisation so that Zambians can access specialised healthcare locally whilst attracting regional medical tourism.

**119.** Madam, we will increase financing towards epidemic and pandemic management to prepare for unforeseen diseases such as Ebola and COVID-19. As we do so, efforts will be made to ensure there is no disruption in the delivery of routine health programmes. In addition, Government will pay particular attention to addressing communicable and non-communicable diseases.

**120.** Madam Speaker, let me take this opportunity to thank the frontline healthcare workers for their sacrifices and bravery in saving the lives of our people during this period of COVID-19.

**Water and Sanitation Sector**

**121.** Madam Speaker, the New Dawn Administration is undertaking a number of water and sanitation projects to improve access to clean and safe drinking water as well as to provide sanitation services. We will also work with our Cooperating Partners to ensure that these projects are completed in good time. One of the key outcomes of these interventions is to reduce the distances our mothers and children cover to fetch water.

**122.** Madam, to reduce the cost of drilling boreholes, Government has scrapped
fees for application and registration and annual fees to drill domestic boreholes. Application, registration and annual fees will only apply to commercial boreholes. However, it will still be a requirement to register all boreholes or apply to drill a borehole failure to which penalty fees shall apply. These measures are with effect from 1st January, 2022.

**Social Protection**

123. Madam Speaker, to ensure sustained and continued protection for the poor and vulnerable, the New Dawn Administration will scale-up social protection.

124. Madam, the Social Cash Transfer Programme will be scaled up by increasing the number of beneficiaries and the transfer value. In 2022, the number of beneficiary households under the Programme will be increased to over one million from the 880,539 as at end August 2021.

125. Madam Speaker, in 2022, the transfer value per household will be increased from K150 to K200 per month. For households with a severely disabled member, the transfer value will be increased from K300 to K400 per month.

126. Madam, the Social Cash Transfer Programme has been characterised by high administration costs, delayed payments and misappropriation. To address these challenges, we will improve and strengthen the payment mechanisms and oversight of the Programme.

127. Madam Speaker, with regard to the Food Security Pack Programme, the number of beneficiaries will be increased to 290,000 households in 2022 from 263,700 as at end-August 2021. This Programme is targeted at the vulnerable but viable farmer households. Other social protection interventions that will be scaled up include the Girls Education and Women’s Empowerment and Livelihood Programme, the Home-Grown School Feeding Programme, Public Welfare Assistance
Scheme, and Child Welfare Programmes.

128. Madam, as at end-September 2021, pension benefit arrears for retired public service workers stood at K1.2 billion. This has negatively impacted their livelihood. To safeguard the livelihoods of retirees, in 2022, the New Dawn Administration will dismantle all outstanding pension arrears for public service workers and curtail the accumulation of arrears going forward.

129. Madam Speaker, to make the pension system financially sustainable and provide social security to retirees, Government will review and amend relevant legislation including Public Service Pensions Act Cap 260 of the Laws of Zambia, Local Authorities Superannuation Fund Act Cap 284 of the Laws of Zambia and the Pension Scheme Regulation Act No. 27 of 2005. The new pension system will also enable retirees to access accrued benefits before retirement as pronounced by His Excellency, the President.

ENVIRONMENTAL SUSTAINABILITY

130. Madam Speaker, the New Dawn Government places environmental sustainability at the centre of all our development efforts. To bequeath future generations with a better environment, a Ministry dedicated to champion development of a green economy and a sustainable environment was created.

131. Madam, in environmental sustainability, focus will be to strengthen climate change adaptation and mitigation, promote sustainable natural resources management and enhance the coverage of early warning systems. With the renewed focus of the New Dawn Administration on greening the economy, we will ensure that our social and economic activities are sustainable and efficient.

132. Madam Speaker, we will also promote innovative financing for climate change interventions. This will be done through mechanisms
such as the use of Green Bonds, promotion of carbon trading and putting in place legislation that establishes a National Climate Change Fund.

133. Madam, Government will review the fee structure for environmental impact assessments. This is to reduce the cost of doing business and align them to international best practice.

GOOD GOVERNANCE ENVIRONMENT

134. Madam Speaker, we need to create a good governance environment in which the conduct of public affairs is done in a responsible, accountable and transparent manner. This is the commitment of the New Dawn Administration. Our priorities in this regard will be the fight against corruption, strengthen the rule of law and ensure sound public financial management. We will also take resources closer to the people through decentralisation.

Fight against Corruption

135. Madam Speaker, the New Dawn Administration has placed a high premium on the fight against corruption. Corruption takes away resources that would have been used to better the health of our children, give them a better quality education and improve livelihoods for our people. Corruption also leads to the adoption of policies that rob future generations of opportunities.

136. Madam, to strengthen the fight against corruption, we have increased the allocation in the 2022 Budget for law enforcement agencies and investigative wings. This is in line with the pronouncements by His Excellency, Mr. Hakainde Hichilema, President of the Republic of Zambia.

Public Financial Management

137. Madam Speaker, sound public financial management is key in meeting the development agenda of the New Dawn Administration.
The major areas of focus will be on strengthening National Planning, internal controls and audit, resource mobilisation, procurement as well as transparency in debt contraction and management, among other areas.

138. Madam, to reposition the country in line with the economic transformation agenda of the New Dawn Administration, I will bring to this House the Eighth National Development Plan for approval within this session.

139. Madam Speaker, to enhance internal controls and ensure timely financial reporting, Government will expand the coverage of the Financial Management System to the district level and develop a standardised Local Authorities Financial Management Information System framework. This will further strength the financial governance of the Constituency Development Fund.

140. Madam, let me turn to one of the consequential issues in our public financial management, public procurement. This forms a significant portion of public expenditure and has been subject to abuse. The New Dawn Administration will ensure that all public procurements are at the right price, of the right quality and delivered on time. This will be achieved through strict adherence to the provisions of the Public Procurement Act No.8 of 2020 and ensuring that all public investment projects are appraised.

**Debt Management**

141. Madam Speaker, our external debt is unsustainable. With high debt servicing obligations, Government has had very limited resources to spend on programmes that contribute to economic growth and poverty reduction. Our public and publicly guaranteed debt situation calls for restructuring to release cash. In this regard, Government applied for debt restructuring under the Common Framework for debt treatment beyond the Debt Service Suspension Initiative.
142. Madam, to provide an anchor to our debt restructuring engagement, the New Dawn Administration is actively engaging the International Monetary Fund for a funded programme. It is very imperative that Zambia gets support from the IMF for our economic reform programme. Once attained, Zambia will be able to engage creditors to restructure its debt under the Common Framework. This will release cash resources which will enable us to finance more developmental needs. For now, we aim to conclude with creditors for restructuring of debt will be realised by the first quarter of 2022.

143. Madam Speaker, I, therefore, urge this House and the nation at large to rally together and support Government to reach an agreement with the IMF by the end of November 2021. There is no option to this otherwise the debts we owe will choke this nation to a stand-still. As I have already stated, debt service and public service salaries exceed domestic revenues. In 2022, we shall only manage to finance other activities because of grants or gifts we shall receive and borrowing. In particular, I wish to thank the Management and Board of the IMF who granted Zambia a condition-free Special Drawing Rights gift equivalent to US $1.33 billion in August 2021. Part of the Special Drawing Rights will be used to support the 2022 Budget.

144. Madam, we are engaging collaboratively with our various categories of creditors with the assistance of our financial and legal advisors to work towards a consensual debt resolution. In so doing, we will adhere to the principles of transparency and equitable treatment of all creditors.

145. Madam, to curtail further accumulation of debt, Government will not contract any external non-concessional loans except in instances of refinancing. With regard to domestic debt, we will ensure that the issuance of Government securities will be primarily through auctions.
Private issuances of Bonds will be minimised.

146. Madam, I shall be bringing to this august House, within this session, the Loans, Grants and Guarantees (Authorisation) Bill which will repeal and replace the Loans and Guarantees (Authorisation) Act Cap 366 of 1969. The Bill will, among others, propose to enhance transparency in public debt management, including loan contraction, and provide a framework for evaluation, issuance, and monitoring of public guarantees.

**Fiscal Policy**

147. Madam Speaker, the New Dawn Administration’s fiscal policy agenda is to progressively reduce fiscal deficits to sustainable levels while supporting growth that generates jobs and reduces poverty. To achieve this, we will employ a combination of revenue mobilization, administrative reforms and expenditure rationalization measures.

148. Madam, in the medium-term, our target is to increase domestic revenue to at least 21.0 percent of GDP. To achieve this, Government will streamline the tax system and place a high priority on fair and equitable taxation as well as establish a stable and predictable tax policy environment. Further, we will rationalise the mining tax system to attract investment which will in turn increase production. We will also address base erosion and profit shifting to boost domestic revenues.

149. Madam Speaker, to take advantage of the ICT for revenue collection, Government will connect an additional 100 public services to the Government Service Bus and Payment Gateway. This will bring the total number of services to 330 by the end of 2022. Further, the Zambia Revenue Authority systems will be interfaced with the Government Service Bus and other systems to improve on regulatory compliance and seal revenue leakages.
150. Madam, to rationalize expenditure, we will reduce areas of wastage of resources in the Budget and channel them to other needy areas that will improve the livelihoods of our people. The migration of beneficiaries under the Farmer Input Support Programme to the cheaper comprehensive agriculture support programme is one such measure.

151. Madam Speaker, to further reduce expenditure on goods and services, the New Dawn Government will strictly enforce the provisions of Public Procurement Act No. 8 of 2020. We will ensure that the procurement of public goods, works and services are done at the right price in accordance with the quarterly market price index published by the Zambia Public Procurement Authority.

**Strategies on Dismantling of Domestic Arrears**

152. Madam speaker, to curtail the accumulation of arrears and dismantle the stock, we have developed an arrears dismantling strategy. The key measures in the strategy include increased budgetary provisions, debt and/or cheque swaps, as well as debt refinancing and restructuring. We plan to liquidate a substantial amount of domestic arrears over a period of five years.

**Monetary Sector**

153. Madam Speaker, Government is committed to lowering the cost of living for our people by reducing the current high level of inflation. In this regard, the Bank of Zambia will take necessary action to bring inflation down to the target band of 6-8 percent by mid-2023 at the latest. Further, implementation of monetary policy will continue to rely on the forward-looking framework anchored on the Monetary Policy Rate. This will take into account subdued economic activity and existing vulnerabilities in the financial system.

**Financial Inclusion**

154. Madam, the country has made significant progress in
financial inclusion. The level of financial inclusion amongst adults increased to 6.6 million or 69.4 percent in 2020 from 4.8 million or 59.3 percent in 2015. This was largely driven by a surge in the use of digital financial services, particularly mobile money, to 58.4 percent in 2020 from 14.0 percent in 2015.

155. Madam, despite the progress made towards enhancing financial inclusion, 2.9 million or 30.6 percent of adults remain financially excluded with women, the rural based population, as well as Small and Medium Scale Enterprises being the most challenged. In this regard, Government will upscale the implementation of the National Financial Inclusion Strategy 2017-2022 aimed at enhancing financial inclusion in collaboration with various stakeholders.

**Decentralisation**

156. Madam Speaker, You may note that until now, the CDF has been pegged at K1.6 million per constituency, if it got released at all. The anchor for the New Dawn Administration is taking resources closer to the people. To this end, we have significantly increased the Constituency Development Fund or CDF to K25.7 million per constituency.

157. Madam, the increased allocation to constituencies, especially the rural ones, is unprecedented in the history of our country. A significant amount of money is now getting into communities for them to identify their priorities, make budgets and undertake the development programs that are dear to their hearts.

158. Madam Speaker, given this increased allocation for constituencies, we have widened the scope for utilisation of the Constituency Development Fund. This means that certain tasks that were previously under the Central Government through the district offices will no longer be performed by them. They will be undertaken by the Local Authorities working with the local communities through CDF. For example,
primary school classrooms, teachers’ houses, desks, rural clinics, staff houses, local courts, small bridges, clearance of canals, community boreholes, dip tanks and small dams must be funded under CDF. Constituencies must budget for all these items under CDF.

159. Madam, in addition to the traditional community based projects, empowerment schemes that were previously funded through relevant ministries such as youth and gender will now be funded under CDF. Bursaries for secondary schools and skills development will also be administered through CDF. This will ensure equity. Under this model rural communities will also benefit unlike in the past when concentration was in the urban areas. The sector ministries will continue to provide policy and expert advice in the implementation of CDF financed projects.

160. Madam Speaker, Government will ensure that the CDF and other resources that will be provided to Local Authorities are used prudently. To attain this, guidelines and standards for utilisation, management, monitoring and evaluation of resources are been developed together with capacity building programmes. Here is a stern warning, abuse of CDF and failure to sanction those who misuse the funds will attract heavy punishment.

161. Madam Speaker, to expand the tax base and revenue collection from the informal sector, 33 Local Authorities which signed contracts with Zambia Revenue Authority will start the implementation in 2022.

**External Sector Policies**

162. Madam Speaker, Government will maintain a flexible exchange rate regime. To this effect, we will promote measures that support the stability of the exchange rate. These include stepping up the accumulation of international reserves to create a buffer to cushion the economy against external shocks, fast-tracking the diversification of exports through export-led industrialisation and
promotion of viable foreign direct investment.

Public Private Partnership

163. Madam Speaker, during the official opening of the First Session of the Thirteenth National Assembly, His Excellency, the President, emphasized leveraging on Public Private Partnership investments to deliver balanced and integrated infrastructure development. The Public Private Partnership approach will not only supplement Government efforts in infrastructure development but also free resources to support social sectors such as health and education.

164. Madam Speaker, we will repeal and replace the Public Private Partnership Act No. 14 of 2009. The new Act will address the shortcomings of the current law by ensuring mutual benefits to the public and private sectors and will also enhance the enabling environment for local and foreign investors.

165. Madam, I wish to appeal to the private sector to come forth and take advantage of business opportunities by investing through PPPs.

Media Reforms

166. Madam Speaker, to provide universal access to the media by all citizens, especially those in far flung areas, the New Dawn Administration will, in the short to medium-term, reform the media landscape, including public media. In this regard, Government will facilitate the installation of towers as well as FM radio services in all the districts. Further, both the public and private media will be allowed to operate freely without interference and restrictions. We expect media houses to walk the talk on self-regulation and professionalism as they discharge their duties.

Census of Population and Housing

167. Madam Speaker, the New Dawn Administration is committed to undertaking the
sixth Census of Population in 2022. To this effect, I will in due course issue a statutory order.

168. Madam, may I appeal to the private sector, Cooperating and Development Partners as well as other stakeholders to partner with us for a successful Census of Population and Housing.

**Keeping the Campaign Promises**

169. Madam Speaker, before I get to Part Three of the Address, I wish to make reference to some of the very important campaign promises that the UPND made and indicate how they are being addressed in the 2022 Budget. I have already touched on these but it is helpful to explicitly put them together. I will touch on two, namely, not allowing any child who is academically capable to fail to progress in their education due to lack of funds and youth employment.

170. Madam, in education, at a stroke of a pen, we have removed tuition fees at public secondary schools. Totally out! On top of that we have provided bursaries for vulnerable children who cannot afford to pay for their upkeep. And, very importantly, it is the community themselves who will choose the most deserving children because they are known within their communities. It is clear that we have taken decisive steps to holding the hands of capable children who might otherwise fall off from realizing their academic potential. This is a gigantic step not witnessed for decades. We shall do more as we move forward, including addressing meal allowances for students and recovery modalities for student loans.

171. Madam Speaker, let me now turn to the important issue of employment, a vexing problem especially among our youths. Jobs are created in the public and in the private sector. Government will create a minimum of 44,000 jobs in 2022 through the recruitment of teachers, healthcare personnel and others.
172. Madam, the enhanced CDF is another initiative that Government has put in place to help in job creation. Within the CDF are the empowerment schemes that will now reach each and every constituency. Youths and women can access this assistance for business opportunities.

173. Madam Speaker, the most interesting aspect of the enhanced CDF as far as job creation is concerned, Government is bent on seeing to it that the people in the constituencies, especially the youth, should be the main beneficiaries. Not through handouts but by doing hard and honest work and then getting paid for it.

174. Madam, as I said earlier on, CDF money will build class rooms, teachers’ houses, clinics and so on. It will repair and maintain public infrastructure and finance the procurement of desks. Government wants the local people in the constituency to be the contractors for these jobs. Only when the local people are not available should they search for contractors elsewhere like the district or the province. In similar vein, government will no longer tolerate the provision of desks and school furniture from imports. The local timber in the area or district, using local labour must make the desks for their schools.

175. Madam Speaker, to ensure that local people in the constituency are prepared to partake in these jobs, some money has been put aside to accelerate the training of youths in each constituency. The plan is to have as soon as possible for each constituency, a corp of trained young people who can undertake contracts in their areas.

176. Madam, logically, there are only so many people that the Government can hire into jobs. The rest of job opportunities, must come from the private sector. And for such jobs, there is no limit for new job creation as long as the policy environment attracts investments. The initiatives we have taken to expand the existing mines,
pronouncements on MFEZs and farming blocks and many other measures to be taken will create many jobs.

PART III

THE 2022 BUDGET

2022 Expenditure by Functions of Government

177. Madam Speaker, I wish to indicate that our Treasury truly is very tight because of the excessive borrowing of the recent past. The numbers that I am about to present clearly show that the domestic revenues we shall collect are not even enough to service debt and pay public sector salaries.

178. Madam, Government proposes to spend K173.0 billion in 2022 equivalent to 37.1 percent of GDP. Of this amount, revenues and grants are K100.7 billion representing 21.6 percent of GDP. The gross financing of K72.3 billion, which translates to a budget deficit of 6.7 percent of GDP, will be raised from external and domestic sources, including a drawdown on the Special Drawing Rights.

179. Madam Speaker, I will now present the details of the Government proposed spending for the 2022 fiscal year.
## 2022 Budget Allocations by Functions of Government

<table>
<thead>
<tr>
<th>Function</th>
<th>2022 Budget</th>
<th>Share of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Public Services</strong></td>
<td>86,370,423,381</td>
<td>49.9%</td>
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<tr>
<td>Domestic Debt</td>
<td>27,364,645,716</td>
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<tr>
<td>External Debt (Interest and Principal)</td>
<td>51,315,495,958</td>
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<tr>
<td>Dismantling of Arrears</td>
<td>3,105,998,428</td>
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<td>Local Government Equalization Fund</td>
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<td>Public Affairs and Summit Meetings</td>
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<tr>
<td>Compensation Fund</td>
<td>300,000,000</td>
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<tr>
<td><strong>Defence</strong></td>
<td>7,634,315,965</td>
<td>4.4%</td>
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<td><strong>Public Order and Safety</strong></td>
<td>3,492,630,548</td>
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<td><strong>Economic Affairs</strong></td>
<td>33,705,802,765</td>
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<tr>
<td>Road Infrastructure</td>
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<tr>
<td>Farmer Input Support Programme</td>
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<td>Airport Infrastructure</td>
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<tr>
<td>o/w Kenneth Kaunda International Airport</td>
<td>886,500,000</td>
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<tr>
<td>Kasaba Bay</td>
<td>150,000,000</td>
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<tr>
<td>Nansanga Farm Block</td>
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<tr>
<td>Strategic Food Reserves</td>
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<tr>
<td>Constituency Development Fund</td>
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<td>o/w Community Based Projects</td>
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<td>Youth and Women Empowerment Funds</td>
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<td>Empowerment Funds for SMEs</td>
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<td>Rural Electrification Fund</td>
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<td><strong>Environmental Protection</strong></td>
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<td><strong>Housing and Community Amenities</strong></td>
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<td>Water Supply and Sanitation</td>
<td>2,352,235,641</td>
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<td>o/w Millennium Challenge Account</td>
<td>145,323,866</td>
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<td><strong>Health</strong></td>
<td>13,911,599,575</td>
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<td>Drugs and Medical Supplies</td>
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<tr>
<td>o/w COVID-19 Vaccines</td>
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<td>Operations for Hospitals</td>
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<td>Health Infrastructure</td>
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<td><strong>Recreation, Culture and Religion</strong></td>
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<td><strong>Education</strong></td>
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<td>Operations for Schools</td>
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<td>Secondary School &amp; Skills Development Bursaries (CDF)</td>
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<td>School Infrastructure</td>
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<tr>
<td>Skills Development Fund</td>
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<td><strong>Social Protection</strong></td>
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<td>Social Cash Transfer</td>
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<td>Public Service Pension Fund</td>
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<td>Food Security Pack</td>
<td>1,100,000,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>172,987,077,535</td>
<td>100.0%</td>
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</tbody>
</table>
**General Public Services**

180. Madam Speaker, I propose to spend a total of K86.4 billion for General Public Services translating to 49.9 percent of the total budget. Of this amount, K51.3 billion is for external debt service while K27.4 billion will go towards domestic debt service.

181. Madam, in our resolve to continually empower local authorities, I propose to allocate K1.3 billion to the Local Government Equalization Fund. I have also proposed an allocation of K3.1 billion towards dismantling of arrears to various suppliers of goods and services.

**Economic Affairs**

182. Madam Speaker, to support Government’s agenda for economic transformation and job creation, I propose to spend a total of K33.7 billion towards the Economic Affairs function. Of this amount, K4.9 billion is for road infrastructure. This will include the continuation of ongoing road projects as well as opening up strategic economic routes. Government will further undertake significant works to rehabilitate and upgrade feeder roads across the country.

183. Madam, to enhance agricultural production, productivity and diversification, a provision of K5.4 billion has been proposed for agricultural inputs. This will support one million beneficiaries through the Farmer Input Support Programme, which will be implemented via the comprehensive agriculture support programme. The Government contribution will be more than doubled to K3,600 per beneficiary from the current K1,700. I have also proposed to spend K960 million on strategic food reserves.

184. Madam Speaker, to make rural areas attractive for investment and promote rural industrialisation, Government will accelerate the Rural Electrification Programme. To this effect, I propose to allocate K362 million to the
Rural Electrification Programme.

185. Madam, I propose to allocate K4.0 billion to the Constituency Development Fund. Of this amount, K3.2 billion will go towards development interventions in underserved communities in all constituencies while K792.0 million has been allocated to secondary school and skills development bursaries. This translates to an average of K25.7 million per constituency compared to K1.6 million allocated in 2021.

Education

186. Madam Speaker, to increase access to education, improve the quality of education provision while promoting equal opportunities for girls, learners with disabilities and the vulnerable, I propose to spend a total of K18.1 billion in 2022 on the education sector. Of this amount, K1.7 billion has been set aside for the recruitment of 30,000 teachers and K2.2 billion is for general operations of schools across the country. Government has also set aside funds to provide free education by paying school fees in all public schools for all learners at early childhood, primary and secondary education levels. Grants to public schools have also been increased. Further, I have allocated K694.3 million for the construction and completion of ongoing school infrastructure.

Health

187. Madam Speaker, in the health sector, we will focus on providing equitable access to quality healthcare services at all levels of service delivery. In this regard, I propose to spend a total of K13.9 billion which includes an allocation for recruitment of 11,200 healthcare personnel. Of this amount, K3.4 billion is for procurement of essential drugs and medical supplies, including for COVID-19 vaccines. This represents more than double the allocation in the 2021 Budget towards drugs and medical supplies.
Housing and Community Amenities

188. Madam Speaker, I propose to spend a total of K2.4 billion on Housing and Community Amenities. Of this amount, K2.3 billion is for water supply and sanitation. This allocation will enhance the interventions being made by water utility companies to improve and ensure adequate supply of safe and clean water in our communities.

Public Order and Safety

189. Madam Speaker, public order and safety plays a significant role in maintaining law and order in the country. In this regard, I propose to allocate K3.5 billion towards this function. This allocation will also be used to address the infrastructure deficiency in security wings including correctional facilities.

Social Protection

190. Madam, I propose to spend K6.3 billion on social protection. Of this amount, K2.1 billion will go towards payment of retirement benefits to former public service workers under the Public Service Pensions Fund. The allocation has been increased to K2.1 billion from K1.1 billion to clear the backlog on pension benefits and reduce vulnerability among retirees. Further, K3.1 billion has been allocated to the Social Cash Transfer Programme to support over one million vulnerable households while K1.1 billion has been allocated to the Food Security Pack to support vulnerable but viable farmers.

Other Functions

191. Madam Speaker, I propose to allocate K8.8 billion for the functions of Defence, Environmental Protection, Recreation, Culture and Religion. This amount includes an allocation of K971.9 million towards climate change adaptation programmes and projects to ensure that our pursuit for economic growth takes into account the protection and sustainability of the environment.
REVENUE ESTIMATES AND MEASURES

Resource Envelope for the 2022 Budget

Madam Speaker, to meet the proposed expenditure, Government expects to raise a total of K173.0 billion. Of this amount, K77.9 billion will come from taxes, K20.7 billion from non-tax revenue and K343.8 million from other revenues. Further, K24.5 billion will come from domestic borrowing while externally sourced financing is projected at K49.7 billion. Of these external sources, K39.3 billion will be in form of budget support, K8.5 billion from existing project disbursements while grants from Cooperating Partners will be K1.8 billion.

2022 TOTAL REVENUE ENVELOPE

<table>
<thead>
<tr>
<th>Amount (K)</th>
<th>Share of Budget</th>
<th>Share of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL DOMESTIC REVENUE, GRANTS AND FINANCING</strong></td>
<td>172,987,077,535</td>
<td>100%</td>
</tr>
<tr>
<td>Total Domestic Revenue and Domestic Financing</td>
<td>123,318,098,761</td>
<td>71%</td>
</tr>
<tr>
<td>Domestic Revenue</td>
<td>98,859,157,828</td>
<td>57%</td>
</tr>
<tr>
<td>Tax Revenue</td>
<td>77,852,269,858</td>
<td>45%</td>
</tr>
<tr>
<td>Income Tax</td>
<td>42,275,421,724</td>
<td>24%</td>
</tr>
<tr>
<td>Company Tax</td>
<td>16,393,900,240</td>
<td></td>
</tr>
<tr>
<td>Pay As You earn (PAYE)</td>
<td>17,258,896,671</td>
<td></td>
</tr>
<tr>
<td>Withholding Tax and other</td>
<td>8,622,624,813</td>
<td></td>
</tr>
<tr>
<td>Value Added Tax (VAT)</td>
<td>22,903,634,804</td>
<td></td>
</tr>
<tr>
<td>Customs and Excise Duties</td>
<td>12,539,583,569</td>
<td></td>
</tr>
<tr>
<td>Customs (Import Tariffs)</td>
<td>6,355,099,165</td>
<td></td>
</tr>
<tr>
<td>Excise Duties</td>
<td>6,184,484,405</td>
<td></td>
</tr>
<tr>
<td>Export Duties</td>
<td>133,629,762</td>
<td></td>
</tr>
<tr>
<td>Non Tax Revenue</td>
<td>20,663,129,824</td>
<td>12%</td>
</tr>
<tr>
<td>Total User fees, fines and Charges</td>
<td>7,824,119,390</td>
<td></td>
</tr>
<tr>
<td>Mineral Royalty</td>
<td>12,839,010,413</td>
<td></td>
</tr>
<tr>
<td>Other Revenues</td>
<td>343,758,145</td>
<td>0%</td>
</tr>
<tr>
<td>Motor Vehicle Fees</td>
<td>77,669,476</td>
<td></td>
</tr>
<tr>
<td>Tourism Levy</td>
<td>17,670,050</td>
<td></td>
</tr>
<tr>
<td>Skills Development Levy</td>
<td>199,787,477</td>
<td></td>
</tr>
<tr>
<td>Insurance premium levy</td>
<td>48,631,143</td>
<td></td>
</tr>
<tr>
<td><strong>II. Domestic Financing</strong></td>
<td>24,458,940,933</td>
<td></td>
</tr>
<tr>
<td>Programme Loans</td>
<td>39,347,310,774</td>
<td>29%</td>
</tr>
<tr>
<td>Project Loans</td>
<td>8,499,699,876</td>
<td></td>
</tr>
<tr>
<td>Foreign Grants</td>
<td>1,821,968,124</td>
<td></td>
</tr>
</tbody>
</table>
Revenue Measures

193. Madam Speaker, I now present the 2022 revenue measures.

Direct Taxes

194. Madam, in order to cushion the rise in the cost of living, I propose to increase the exempt threshold for Pay-As-You-Earn to K4,500 from K4,000 and adjust income tax bands. This means that we are putting K600 million in the hands of our employees. The tax bands are now as follows:

<table>
<thead>
<tr>
<th>Current Regime</th>
<th>Proposed Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Band</td>
<td>Tax rate (%)</td>
</tr>
<tr>
<td>0 - 4000</td>
<td>0</td>
</tr>
<tr>
<td>4,001 – 4,800</td>
<td>25</td>
</tr>
<tr>
<td>4,801 – 6,900</td>
<td>30</td>
</tr>
<tr>
<td>Above 6,900</td>
<td>37.5</td>
</tr>
</tbody>
</table>

195. Madam Speaker, to attract investment and boost production in the mining sector, I propose to re-introduce the deductibility of mineral royalty for corporate income tax assessment purposes. This measure is in line with international best practice. The revenue loss from this measure is projected at K3.2 billion.

196. Madam, to align with the current legislation on tax carry forward limit of losses, I propose to increase the period for disallowed interest deduction carry forward to 10 years from 5 years.

197. Madam Speaker, Government will in the medium-term, amend the law so that mineral royalty determination reflects a measure of both incremental and aggregate norm values.

198. Madam, to broaden the tax base, I propose to extend Property Transfer Tax on transfers of mineral processing and other mine related licenses at the applicable rate of 10 percent.
199. Madam Speaker, to promote the manufacturing of ceramic products, I propose to suspend Corporate Income Tax for persons carrying on the business of manufacturing ceramic products for the charge years 2022 and 2023. This will also facilitate entry of new players into this industry. This measure will result in a revenue loss of K7.1 million.

200. Madam, to allow companies to retain some funds for further investments as well as attract foreign direct investment, I propose to reduce the standard Corporate Income Tax rate to 30 percent from 35 percent. However, the top marginal tax rate for telecommunication companies will be maintained at 40 percent. The revenue loss from this measure is projected at K599.0 million.

201. Madam Speaker, in the medium-term, Government will harmonise Corporate Income Tax rates for all sectors.

202. Madam, I propose to extend the 15 percent Corporate Income Tax rate on income earned by hotels and lodges on accommodation and food services to 31st December, 2022 from 31st December, 2021. This is in view of the continued negative effects of the COVID-19 pandemic on the tourism sector. The revenue forgone from this measure is projected at K23.2 million.

203. Madam Speaker, I propose to reform the Rental Income Tax regime by charging Turnover Tax at 4 percent for income below K800,000 per annum. For rental income above K800,000, the income tax regime for individual or corporate will apply. The revenue loss from this measure is K169.1 million.

204. Madam, to encourage a culture of saving and promote financial inclusion, I propose to extend the tax exemption relating to payments of interest to all interest earning bank accounts held by individuals. The revenue loss from this measure is projected at K9.2 million.
205. Madam Speaker, to support the growth of local reinsurance, I propose to introduce a 20 percent withholding tax on reinsurance placed with reinsurers not licensed in Zambia. The revenue gain from this measure is projected at K48.6 million.

<table>
<thead>
<tr>
<th>Vehicle Sitting Capacity</th>
<th>Current Tax Per Annum (ZMW)</th>
<th>Proposed Tax per Annum (ZMW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>64 seater and above</td>
<td>10,800</td>
<td>12,960</td>
</tr>
<tr>
<td>50 – 63 seater</td>
<td>9,000</td>
<td>10,800</td>
</tr>
<tr>
<td>36 - 49 seater</td>
<td>7,200</td>
<td>8,640</td>
</tr>
<tr>
<td>22 - 35 seater</td>
<td>5,400</td>
<td>6,480</td>
</tr>
<tr>
<td>18 - 21 seater</td>
<td>3,600</td>
<td>4,320</td>
</tr>
<tr>
<td>12 - 17 seater</td>
<td>1,800</td>
<td>2,160</td>
</tr>
<tr>
<td>Below 12 seater</td>
<td>900</td>
<td>1,080</td>
</tr>
</tbody>
</table>

206. Madam, I propose to revise upwards the bands for presumptive taxes. The tax bands were last reviewed in 2018. The revenue gain from this measure is projected at K107.2 million.

207. Madam Speaker, to enhance tax compliance on betting, casino, lottery and gaming activities, I propose to introduce a mandatory requirement for tickets to display the withholding tax payable on potential winnings. Further, this will be a condition for holding a license whether operating online or through physical stores.

**Value Added Tax**

208. Madam, to improve productivity through mechanisation in the agricultural sector, I propose to zero-rate Value Added Tax on selected agricultural equipment and accessories. These include:

a) Manure Spreaders;
b) Balers;
c) Combine Harvesters;
d) Commercial Sprinkler Irrigation Systems;
e) Animal Feed Grinder-Mixer;
f) Pelleting Machines;
g) Sprayer;
h) Trailers of a specific HS code; and
i) Dryers for agricultural products of a specific HS code.

This measure will result in revenue loss of K19.0 million

209. Madam Speaker, to promote the use of alternative renewable sources of energy, I propose to zero-rate the Value Added Tax on Solar Charge Control Units and Solar Street Lights. This measure will result in revenue loss of K54.0 million.

210. Madam, to increase the taxable-base for VAT, I propose to standard rate the supply of the following:

   a) property and non-life insurance, and abolish the current applicable insurance premium levy; and

   b) Booklets and Newspapers.

These measures will result in a revenue gain of K178.9 million.

211. Madam Speaker, to encourage compliance and enhance proper identification of mobile phones and security, I propose to change the tax collection point for value added tax on mobile phones from importation and point of sale to point of registration by the Zambia Information and Communications Technology Authority.

Customs and Excise

212. Madam Speaker, to promote alternative energy sources, I propose to reduce customs duty to zero percent from 15 percent and 25 percent on solar street lights and solar charge control units, respectively. This measure will result in revenue loss of K20.2 million.

213. Madam, to support the livestock subsector, I propose to remove the 5 percent customs duty on importation of cattle breeding stock. Further, to address the shortage of day-old chicks, I propose to suspend the 5 percent customs duty on grandparent and/or parent stock of day-old chicks when imported by a breeding company for a period of twelve
(12) months effective 1st November, 2021.

214. Madam Speaker, to improve competitiveness and efficiency of the local manufacturers of plastic products, I propose to remove the 5 percent customs duty on filler masterbatch. The revenue loss from this measure is projected at K2.7 million.

215. Madam, to harmonise customs duty rates applicable on tyres for lorries and buses as well as construction and agriculture machinery, I propose to harmonise the rates at 15 percent from 40 percent or K5 per kilogram, whichever is greater. The revenue loss from this measure is K16.0 million.

216. Madam Speaker, to continue cushioning the tourism sector amidst the COVID-19 pandemic, I propose to extend the waiver of customs duty on safari game viewing vehicles, tourist buses and coaches to 31st December, 2023. This will only apply to accommodation establishments, convention centres and tourism enterprises. The revenue forgone from this measure is K2.9 million.

217. Madam, to support agro-processing in general, I propose to extend to 31st December 2022 suspension of customs duty on importation of refrigerated trucks. Further, I propose to extend the relief to processors of milk and manufacturers of medicaments. The revenue loss is minimal.

218. Madam Speaker, for a single petty consignment, I propose to increase the exemption value of goods on which duty is not paid to US $500 from US $50 inclusive of freight and insurance. This excludes goods consigned through parcel post or air freight. The revenue loss from this measure is K161.4 million.

219. Madam, to open the market for maize while ensuring food security, I propose to remove the 10 percent export duty on maize. This measure is effective 1st November, 2021. The revenue
loss from this measure is K18.1 million.

220. Madam, to promote the growth of the ceramic industry, I propose to increase customs duty to 25 percent from 15 percent on floor and wall tiles imported from outside the COMESA and SADC regions.

221. Madam Speaker, to promote local manufacturing industry, I propose to increase customs duty to 25 percent from 5 percent and 15 percent on yarn made from acrylic fibre of specific HS codes imported from outside the COMESA and SADC regions.

222. Madam, to promote domestic production and create jobs, I propose the following measures:

   a) Introduce surtax at a rate of 5 percent on imports of yarn made from acrylic fibre of specific HS codes;
   b) Introduce surtax at the rate of 5 percent on knitted or crocheted jerseys, pullovers, cardigans, waistcoats and similar articles;
   c) Introduce surtax at the rate of 10 percent on imported cement bags;
   d) Introduce surtax at the rate of 5 percent on imported floor and wall tiles;
   e) Introduce surtax at the rate of 20 percent on imported glass on selected HS codes;
   f) Increase surtax on flexible intermediate bulk (FIB) containers to 20 percent from 5 percent; and
   g) Remove the 5 percent Surtax on importation of Bovine Semen.

223. Madam Speaker, I also propose the following revenue raising measures:

   a) Introduce 5 percent excise duty on coal;
   b) Increase the specific excise duty on opaque beer to 50 ngwee per litre (packaged) and to one Kwacha for (unpackaged) from 15 ngwee;
   c) Increase specific excise duty on cigarettes from
the current K302 per mille to K355; and
d) Increase specific excise duty on unmanufactured tobacco, tobacco refuse, smoking tobacco whether or not containing tobacco substitutes, water pipe tobacco and cutrag to K355 from K240.

224. Madam, despite the Multi Facility Economic Zone framework having been embarked on more than a decade ago to drive the industrialisation agenda, to date, investment directed into these established economic zones remains dismal. To revamp and remodel the economic zones and make the incentives more targeted, I propose the following measures:

a) Introduce zero percent tax for a period of 10 years from first year of commencement of works in a Multi Facility Economic Zone or Industrial Park, on dividends declared on profits made on exports by companies operating in these economic zones under the Zambia Development Agency Act No. 11 of 2006;
b) Introduce zero percent tax for a period of 10 years from first year of commencement of works in a Multi Facility Economic Zone or Industrial Park, on profits made on exports by companies operating in these economic zones under the Zambia Development Agency Act No. 11 of 2006. For years 11 to 13 only 50 percent of profits should be taxed and 75 percent of profits for years 14 and 15; and
c) Reduce the threshold to US $50, 000 for a Zambian citizen to qualify for incentives provided under the Zambia Development Agency Act No. 11 of 2006.

Housekeeping Measures

225. Madam Speaker, to update, strengthen and remove ambiguities in certain provisions of the tax laws and make tax administration more

**Non-Tax Revenue Measures**

**226.** Madam Speaker, to adjust for inflation since the last review over a decade ago, I propose to revise upwards fees charged by the Road Transport and Safety Agency, Department of National Registration, Passport and Citizenship, Forestry Department and Seed Certification Control Institute, among others.

**227.** Madam, to support organisations that complement Government efforts in provision of services to the vulnerable, I propose to revise downwards the immigration permit fees under the Non-Governmental and Non-Profit Organisation category. The revenue loss from this measure is K89.1 million.

**228.** Madam Speaker, to reduce the cost of renewing driving licences, I propose to increase the Public Service Vehicles (PSV) driver’s renewal period from annual to every 5 years..

**229.** Madam, Zambia remains a destination of choice for tourism. To improve our competitiveness, I propose to reduce visa fees of all categories by 50 percent.

**230.** Madam Speaker, unless otherwise stated, the measures that I have outlined will take effect on 1st January, 2022.

**PART IV**

**CONCLUSION**

**231.** Madam Speaker, August the twelfth was a watershed moment in the history of our great nation. A nation that has for too long not realised its full potential. A nation rich in natural resources and heritage. A nation where sustained prosperity for all has remained elusive. Two and a half months ago our people, particularly the youth, resoundingly called for tangible and lasting change in
their lives and future generations.

232. Madam Speaker, as the New Dawn Administration, we are walking the talk. The 2022 Budget has illustrated that the promise of economic transformation is a reality. The promise of an enabling environment for macro-economic stability and job creation is a reality. The promise to take resources and development closer to the people is now a reality.

233. Madam, our notion of economic transformation is genuine and aimed at ensuring that our people benefit from the rich endowment of this country. This Budget is, therefore, an initial step towards repositioning the country to fully exploit its human and natural resources for decades to come.

234. Madam Speaker, I wish to recognise the assistance from our Cooperating and Development Partners and implore them to continue supporting our development agenda.

235. Madam, as I conclude, allow me to state that the task ahead of us is enormous and requires a fundamental shift in mindset and the way we do things. I, therefore, implore all Zambians to work hard individually and collectively as we transform the country.

236. Madam, let me assure you that the New Dawn Administration is equal to the task. The journey to fix the economy starts now.

237. Madam Speaker, I beg to move.