

**MINISTERIAL STATEMENT TO PARLIAMENT ON THE PRINTING OF BANKNOTES BY THE BANK OF ZAMBIA – ALEXANDER BWALYA CHIKWANDA, MINISTER OF FINANCE AND NATIONAL PLANNING – FRIDAY 9<sup>th</sup> DECEMBER, 2011**

---

Mr. Speaker, I wish to thank you for allowing me to deliver this statement on the printing of banknotes by the Bank of Zambia.

Sir, the Bank of Zambia as mandated by the Bank of Zambia Act No. 43 of 1996 Cap 360 of the laws of Zambia is the only issuer of Zambian Currency. The practice in recent times has been to procure currency notes for three year periods, principally for cost considerations.

Mr. Speaker, for the 2010 – 2012 period, a tender was floated using limited bidding method and 12 companies submitted bids. After tender evaluation, a German company Giesecke and Devrient (G and D) was awarded the contract to print both paper and polymer bank notes.

The contract sum was Euro 16, 779,411.00. Out of this amount the Bank of Zambia has paid Euro 12,450,709.81 for the quantities received for 2010 and 2011. The balance, therefore, stands at Euro 4,328,701.00. The total quantity of banknotes delivered so far is 212 million pieces while the balance of 116 million pieces will be delivered in 2012.

Sir, despite the mandate of the Bank of Zambia to issue currency, the Bank is expected to conform to the public procurement procedures in accordance with the Public Procurement Act No. 12 of 2008.

The Zambian Government, as a custodian of public interest, will take keen interest in ensuring that the Bank strictly conforms to the requirements of the Public Procurement Act and avoid sidelining the Zambia Public Procurement Authority approval as was the case in this particular instance. This is not only a recipe for impropriety but also raises legitimate questions by the public who are at the end of the day the repository of our authority at all levels of Government.

Sir, I now lay on the table a copy of the contract signed between the Bank of Zambia and Giesecke and Devrient for the information of the House.

Mr. Speaker, I thank you.