

# HIGHLIGHTS OF THE STATEMENT BY THE HON. MINISTER OF FINANCE ON THE IMPACT OF THE CORONAVIRUS (COVID-19) ON THE ZAMBIAN ECONOMY

ADAPTED BY FEBRUARY 2020



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## THE POLICY MEASURES TAKEN TO MITIGATE THE IMPACT OF COVID-19 INCLUDE:



### FUNDING TOWARDS COVID-19 RESPONSE ECONOMIC GROWTH 2019



In order to finance the response towards COVID-19, Government has taken the following measures:

**57 MILLION KWACHA**

**i** Set up an Epidemic Preparedness Fund under the Ministry of Health amounting to K57 million;

**659 MILLION KWACHA**

**ii** Cabinet approved a COVID-19 Contingency and Response Plan with a budget of K659 million under the Disaster Management and Mitigation Unit;

**FUND MOBILISATION**

**iii** The Government has started mobilizing funds through the budget and engagement with various local and international stakeholders.



### RESOURCES AVAILABLE FROM MULTILATERAL ORGANISATIONS

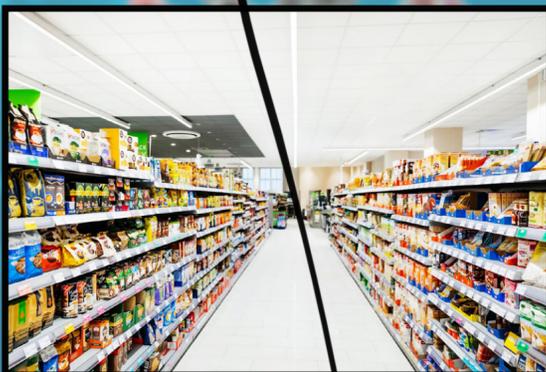


Currently making applications to our multilateral partner organisations for COVID-19 support.

**MULTI-LATERAL SUPPORT**



### EASING LIQUIDITY



To support the easing of liquidity in the face of the adverse effects of COVID-19, Government will release K2.5 billion to:

**2.5 BILLION KWACHA**

- i** Reduce domestic arrears owed to domestic suppliers of goods and services;
- ii** Reduce outstanding arrears to pensioners under Public Service Pension Fund and retirees under Ministry of Justice;
- iii** Reduce outstanding third-party arrears and other employee related commitments.

**140 MILLION KWACHA**

**■** In addition, K140 million will be released to pay local contractors in the road sector.



### TAX RELIEF



In order to provide relief to businesses, Government will:

- i** Suspend excise duty on ethanol for use in alcohol-based sanitisers and other medical related commodities;
- ii** Remove provisions of SI 90 relating to claim of VAT on imported spare parts, lubricants and stationery to ease pressure on companies;
- iii** Suspend export duties on the export of concentrates in the mining sector to ease pressure on the sector;
- iv** Suspend export duty on precious metals and crocodile skin.

**SUSPEND EXCISE DUTY EXPORT DUTY**



### FINANCIAL SECTOR MEASURES



Measures aimed at preventing the spread of the disease by minimizing person to person contact in conducting financial transactions, decongesting banks and reducing the use of cash.

- a** Waived charges for person to person electronic money transfers of up to K150. These transactions are now free of charge;
- b** Revised upwards transactions and balance limits for individuals, small scale farmer and enterprises. The limits by agents have been revised upwards to give agents more float to deal with transactions. This is made to decongest banks;
- c** Removed the transaction and balance limits on agents and corporate wallets;
- d** Reduced the processing fees for Real Time Gross Settlement System.

**FREE TRANSACTIONS**