



**BANK Of ZAMBIA**

**LAUNCH OF THE 2018 WORLD SAVINGS DAY**

***THEME: “SAVE, INVEST, AND SAVE: WHAT DO YOU WISH FOR?”***

**SPEECH BY**

**DR. DENNY H. KALYALYA  
GOVERNOR – BANK OF ZAMBIA**

**WEDNESDAY, 31<sup>st</sup> OCTOBER 2018**

**LUSAKA, ZAMBIA**

**LAUNCH OF THE 2018 WORLD SAVINGS DAY, SPEECH BY DR. DENNY H. KALYALYA, GOVERNOR  
– BANK OF ZAMBIA – 31OCTOBER 2018**

**The Chief Executive - Securities and Exchange Commission;**

**The Registrar – Pensions and Insurance Authority;**

**The Chairperson – Bankers Association of Zambia;**

**Senior Government Officials present;**

**Members of the Diplomatic Corps;**

**CEOs and Senior Private Sector Representatives;**

**Representatives from the Universities;**

**Members of the Media;**

**Pupils and students here present; and**

**Let me just say, Distinguished Ladies and Gentlemen.**

It is my honour and privilege to address you all this morning, at this year's World Savings Day. As the Hon Minister of Finance indicated last evening, when she launched the event, this year's global theme is: *'What Do You Wish For?'* As a follow on to the 2018 Financial Literacy Week commemorated earlier this year, the full theme for this year's World Savings Day celebrated in Zambia is: *'Save, Invest, Insure: What Do You Wish For?'*

The commemoration of this event dates as far back as 1924, during the first International Savings Bank Congress in Milano, Italy. The event has been adopted around the world for celebration on 31<sup>st</sup> October, annually. This event emphasises the importance of saving for national economies and individuals. The event has also been regarded as a particularly successful measure of awareness on the importance of savings, as well as to educate people on how to save. In Zambia, this commemoration has been observed since 2014, initially, through activities of the National Savings and Credit Bank - NatSave. From 2015 onwards, the World Savings Day was adopted as a teachable moment under the National Strategy on Financial Education for Zambia. To date, more public and private financial sector stakeholders joined the commemoration led by the three financial services

regulators, namely, the Bank of Zambia, the Pensions and Insurance Authority and the Securities and Exchange Commission.

**Distinguished Ladies and Gentlemen,** I am glad to note that our collective effort of holding sensitisation campaigns is bearing fruit. For instance, the Insurance Sector has scaled up financial education through the Insurance Week commemoration that is held in September, with this year's theme being: ***'Protect You and Yours: Insure Now'***. Earlier this month, the Capital Markets sector also conducted for the second year running, the Investor Week under the theme ***'A Smart Investor through Capital Markets'***, showcasing capital market players who offer a variety of investment products and services that are savings related, such as, shares, bonds, and collective investment schemes / unit trusts. We wish to commend the multi institution organising committee for keeping this work alive and growing.

It is important to note that all these efforts are now being channelled through the National Financial Inclusion Strategy (NFIS) that was launched by the Government in 2017. Under this Strategy, financial capability and education remains a priority, as it is expected to equip consumers with the knowledge, skills, attitudes, and behaviours required to act in their best interests and to select and use financial services that best meet their needs.

The vision of the National Financial Inclusion Strategy is: *“to achieve universal access and usage of a broad range of quality and affordable financial services that meet the needs of both individuals and enterprises.”*

This implies that irrespective of social or economic status, gender, or level of education, as a country we want to ensure that every segment of the Zambian society has access to basic financial services, including having his affordable savings accounts.

Recognising the need to avail people a broad range of quality and affordable financial services and products, the regulators in partnership with other key players, have been at the forefront of implementing financial sector reforms, including revision and updating of financial sector regulations. For instance, the Bank of Zambia in August this year, and as provided for in the Banking and Financial Services Act no. 7 of 2017 issued directives on the *'Prohibition against Unwarranted Charges and Fees'*. Some of these included charges for over the counter cash deposits, ATM surcharges, and monthly maintenance fees on a basic savings account. This directive is intended to make financial services affordable and strengthen the country's financial inclusion efforts. It is the Bank's expectation that more people will be encouraged to save with formal financial institutions.

**Distinguished Guests**, in line with the aims of today's commemoration of the World Savings Day, the Bank of Zambia is also working with Commercial Banks to define a **cross cutting 'Basic Savings Account'** that will have minimum charges. It is being proposed, among others, that the Basic Savings Account shall:

1. have no charges as long as such an account is used within the agreed terms and conditions;
2. allow a limited number of withdrawals per month at no cost, beyond which the client will have to pay a fee to meet the respective bank's operating costs; and
3. offer a minimum balance that will be defined within the terms and conditions agreed upon with financial service providers.

We therefore urge you, financial services users, to choose products carefully. Please make comparisons between and among products and services, and read the terms and conditions carefully before you commit yourself. Our call is for clients to not just select a financial product because their neighbour, workmate or even schoolmate

has chosen it. It is advisable that you make sure the financial product or service you choose meets your needs.

As for service providers, we call on them to explain their products and service terms and conditions to consumers as a commitment to forge a strong partnership that will ensure positive market conduct and consumer protection.

**Colleagues, students and pupils**, in view of the heightened need for interaction between those demanding and those supplying goods and services, I wish to encourage all who are present here to take time to visit the exhibitions being held on the University of Zambia grounds and other selected towns across the country. This will help enrich our knowledge and appreciation of some of the financial options available on the market with minimal formalities. Remember our theme for this year is **Save, Invest, Insure: What Do You Wish For?**

As I conclude, allow me to extend my profound gratitude to all the institutions that have been critical in spearheading the organisation and overall success of these commemorations: the Ministry of Finance; the 3 financial sector regulators; the Rural Finance Expansion Programme; the German Savings Banks Foundation for International Cooperation; Financial Sector Deepening Zambia; and the Bankers Association of Zambia.

*As we head towards the festive season, this year's World Savings Day theme will resonate with many of us because in order to achieve or purchase what we wish for, we will require to save, invest, and insure to meet our goal.*

**THANK YOU AND GOD BLESS YOU ALL!**