



Bank of Zambia

SPEECH BY THE DEPUTY GOVERNOR - OPERATIONS

WORLD SAVINGS DAY & FINANCIAL LITERACY AWARDS

OCTOBER 28, 2021

SALUTATIONS

- All Senior Governmental Officials
- The visiting delegation from Malawi
- Regulators in the financial sector
- Chief Executive Officers of Financial Services Providers
- Our Cooperating Partners
- Nominees of the Financial Literacy Awards
- Invited Guests
- Ladies and Gentlemen

Good morning

It is an honor for the Bank of Zambia, as Champion of financial education in Zambia, to engage with you as we launch the public awareness campaign for the 2021 World Savings Day and present the 2021 Financial Literacy Awards. This year's theme "*Sustainable Finance: Savings are Diverse. We are united in responsibility*" spreads the message that there are various forms of savings (i.e. Government securities, savings accounts, investments e.tc) in the financial sector leading to the same result of sustainable finance and economic development. It also recognizes the importance of sustainability if we are to achieve our set goals and the need for us to act together.

Ladies and Gentlemen

It is a known fact that the Covid 19 pandemic has affected millions of people worldwide and Zambia is no exception. Not only has the pandemic caused a huge public health crisis, but it has also led to the severe contraction in economic activity across the globe. Nationwide, the general population has been faced with a slow down or closure of many businesses and job losses. It is also important to note that the informal sector has borne the brunt of this adjustment, especially our women, youth and the rural poor. Savings have once again emerged as an important pillar that has impacted the fortunes of households and businesses, depending on whether saving were available or not. Therefore, saving as a habit, helps us face the challenges posed by such pandemics and other economic crises, and also helps us to recover and grow the economy.

As has been done for many years now, Zambia will join the international community in commemorating the World Savings Day on 31 October 2021. This event is celebrated every year to stress the importance of savings for individuals and modern economies alike. It has been regarded as a particularly successful measure of spreading awareness on the importance of saving and to educate people on how to save.

These campaigns are mostly aimed at creating awareness amongst children, youth and adults on the need to acquire the knowledge, skills, attitudes and behaviors on personal financial management and

entrepreneurship. This is critical if they are to have the confidence and motivation to make sound financial decisions and use appropriate financial services. This is also expected to improve the financial well-being, health and resilience of our citizens, and enable them to contribute to national development through improved productivity as well as job and wealth creation.

As the financial sector regulator, we have a vested interest in ensuring that the financial sector is innovative, responsive to demand for financial services and that it supports Zambia's economic growth journey, while maintaining stability. It is essential, therefore, that the financial sector continues to expand its portfolio of products and services by leveraging reforms, digital innovations and targeted outreach.

One of the ways in which to achieve this is through the use of statistical data and surveys to support both evidence based policies and the development of financial services. Surveys such as the State of Digital Financial Services in Zambia, the Finscope 2020 Zambia Survey and a recent Child and Youth Diagnostic Survey help to provide insights into factors that drive the access to and usage of financial services. They also assess people's behavioural patterns in financial decisions and barriers that need to be overcome. Financial institutions and regulators therefore benefit from the recommendations contained in these surveys. In this regard, the Bank of Zambia is planning to undertake a survey on

micro-small-and medium enterprises that will enhance financial services and policy interventions for this important economic sector.

Against this background, Bank of Zambia is pleased to have collaborated with various cooperating partners in undertaking these surveys, namely Ministry of Finance, the Zambia Statistical Agency, Pensions and Insurance Authority, Securities and Exchange Commission, United Nations Capital Development Fund, the Rural Finance Expansion Programme, Financial Sector Deepening Zambia, German Sparkassenstiftung (DSIK), FinMark Trust, Bankers Association of Zambia, and the Association of Microfinance Institutions of Zambia.

Ladies and Gentlemen

As you may be aware, in 2006, the Government articulated the Vision 2030 for Zambia to become a prosperous middle-income nation by 2030. The realization of this vision is founded on seven (7) basic principles of - sustainable development; upholding democratic principles; respect for human rights; fostering family values; a positive attitude to work; peaceful coexistence; and upholding good traditional values.

The contribution of the financial sector towards the attainment of Vision 2030 and its underlying principles is being done through the implementation of the National Financial Sector Development Policy, the National Financial Inclusion Strategy, the Rural Finance Policy and

Strategy, the Capital Markets Development Plan and the National Strategy on Financial Education.

It is therefore important for children, youths and adults to be aware that these financial sector strategies aim to broaden the types of financial services in the banking, capital markets, microfinance, insurance and pensions sectors. They also aim to promote financial inclusion by increasing access to, and usage of a broad range of affordable financial products and services in the form of savings, credit, payment, insurance, investment and mobile banking services.

Apart from these national strategies, we are assured that through the primary and secondary school curricula, children and youths are learning concepts of personal, household and business financial management in subjects such as social studies, expressive arts, physical education, business studies and civic education. Progress has been made in developing supplementary financial education materials for learners and teachers in a project being led by the Ministry of Finance and Ministry of Education. This project is being supported by the German Government through GIZ, the Curriculum Development Centre, Bank of Zambia, Pensions and Insurance Authority, Securities and Exchange Commission, Zambia Revenue Authority, German Sparkassenstiftung (DSIK), and Financial Sector Deepening Zambia.

Ladies and Gentlemen

As part of the implementation of the National Strategy for Financial Education, the World Savings Day has officially been observed in Zambia at National level.

In addition, since 2014, the Financial Literacy Working Group which is a grouping of representatives from the financial sector mandated to drive the national campaign, resolved to host the Financial Literacy Awards as the official commemorative activity of the country each World Savings Day. It is therefore my rare privilege and honor to grace this year's World Savings Day celebrations and I wish the nominated participants all the best.

In conclusion, I would like to thank the stakeholders under our partnership arrangement, in particular, the Bankers Association of Zambia, Securities and Exchange Commission, Pensions and Insurance Authority, Rural Finance Expansion Programme and DSIK for their continued to support the World Savings Day celebrations every year.

Let me also thank Securities and Exchange Commission once again and the Capital Markets Association of Zambia for launching the World Investor Week for 2021, an event leading to the World Savings Day.

I am confident that these key messages will motivate you to continue to save a bit for the future. Be assured that the Bank of Zambia remains committed to supporting the implementation of the National Strategy on Financial Education through campaigns such as the World Savings Day.

I THANK YOU