



Bank of Zambia

GOVERNOR'S OPENING SPEECH

WORLD SAVINGS DAY & FINANCIAL LITERACY AWARDS, 31st OCTOBER 2024



Bank of Zambia

REGISTERED OFFICES

Head Office

Bank of Zambia, Bank Square, Cairo Road
P. O. Box 30080, Lusaka, 10101, Zambia
Tel: (+260) 211 399300
E-mail: info@boz.zm
Website: www.boz.zm

Regional Office

Bank of Zambia, Buteko Avenue,
P. O. Box 71511, Ndola, Zambia
Tel: (+260) 212 399600
E-mail: info@boz.zm
Website: www.boz.zm

SALUTATIONS

- All Senior Governmental officials here present
- Mr. Phillip Chitalu, Chief Executive Officer, Securities and Exchange Commission
- Mrs. Namakau Ntini, Registrar, Pensions and Insurance Authority
- Mr Maximo Mulenga, Bankers Association of Zambia (Representing Ms Lowani Chibesakunda, Chairperson of BAZ)
- Representative from the Germany Savings Bank Foundation
- All Chief Executive Officers of Financial Services Providers, here present
- All Cooperating partners
- Bank of Zambia Senior Staff
- Ambassador Frank Mutubila
- Nominated Participants for the Financial Literacy Awards
- Members of the Press
- The Bare feet Theatre Poetry Team
- Invited Guests
- Ladies and Gentlemen

Good morning

It is an honour for me to speak to you on this occasion of both the launch of the public awareness campaign for the 2024 World Savings Day and the presentation of the Financial Literacy Awards.

The theme for this year's World Savings Day is "**Shared Prosperity.**" According to the World Bank, shared prosperity aims to promote equitable growth that benefits all segments of society, especially the poor and marginalized. This concept highlights the necessity of reducing inequality and ensuring that economic growth leads to improved living standards for everyone.

Savings and investment are essential in achieving shared prosperity. By encouraging individuals and communities to save, we help them build financial resilience and access investment opportunities. These investments drive economic growth, create jobs, and promote sustainable development. A culture of savings and strategic investment empowers individuals, supports inclusive economic progress, and aligns with the broader goals of sustainable development.

This year's theme emphasizes the importance of financial inclusion and collective growth across all age groups, urging everyone to contribute to a financially secure and thriving society. Savings are fundamental to financial independence and resilience, providing a safety net during uncertain times and creating opportunities for new ventures.

The World Savings Day campaign offers the financial sector a chance to encourage citizens to adopt a culture of saving, regardless of the amount. Let us teach our children, youth, and ourselves as adults, the value of setting aside resources for the future. By doing so, we not only enhance our own well-being but also contribute to the economic prosperity of our nation.

Ladies and Gentlemen

Every October, Zambia joins the international community in celebrating World Savings Day, emphasizing the importance of savings for individuals. This year's event is particularly significant as it coincides with Zambia's 60th independence anniversary, themed "60 Years Strong: Honoring Our Heritage, Embracing Our Future." Additionally, the Bank of Zambia celebrated its own 60th anniversary on August 21, 2024, under the theme "60 Years of Central Banking: Repositioning for Sustainable and Inclusive Growth in a Digital World." These themes are closely linked to the World Savings Day theme of shared prosperity,

as they address both present and future challenges through various initiatives aimed at promoting a sustainable future for our country.

As we commemorate 60 years of independence, we have a valuable opportunity to reflect on the remarkable progress we have made in developing our financial sector, promoting financial stability, enhancing financial education, and expanding financial inclusion. Over the years, the Zambian financial sector has evolved from serving a small portion of the population to reaching many individuals who were previously unserved or underserved. The sector now provides diverse and innovative financial services that are accessible to a broader spectrum of the population, both in urban and rural areas. According to the FinScope 2020 Survey, financial inclusion rose to 69.4 percent from 59.3 percent in 2015, thanks to the successful implementation of initiatives under the National Strategy on Financial Education, the Rural Finance Policy and Strategy, and the National Financial Inclusion Strategy, particularly those related to Digital Financial Services (DFS).

Ladies and Gentlemen

As we reflect on the 60 years of Zambia's independence, I would like to highlight a few significant milestones achieved in the financial sector regarding financial literacy and financial inclusion:

- In 2012, Zambia launched its first National Strategy on Financial Education (Phase I), which identified children, youth, adults, small and medium enterprises, and smallholder farmers as key target groups. The primary goal was—and remains—to create a financially educated Zambian population by 2030.
- In 2017, the National Financial Inclusion Strategy was introduced, aiming to achieve universal access to and usage of a wide range of quality,

affordable financial services that meet the needs of individuals and enterprises. The target was to reach an overall financial inclusion rate of 80% among the adult population by 2022.

- Also in 2017, financial education was integrated into both primary and secondary school curricula under the National Strategy on Financial Education (Phase I).
- In 2019, Phase II of the National Strategy on Financial Education was launched to address gaps identified in Phase I.
- This year (2024), Phase II of the National Financial Inclusion Strategy was launched to address initiatives which include inclusive green finance as well as tackling issues affecting segments of the population that are still lagging in so far as financial inclusion is concerned.
- Thanks to ongoing financial literacy campaigns, the number of financial service accounts designed for children has increased from just 3 in early 2013 to over 20 today.

These milestones reflect our commitment to enhancing financial education and inclusion in Zambia, paving the way for a more secure financial future for all.

Distinguished Guests

Equipping individuals with financial knowledge and skills is crucial for enabling them to make informed and sound decisions about their finances, thus supporting their overall financial well-being. Recent developments, including the rise of digitalization and the expansion of sustainable financial products, have significant implications for personal finance. These developments underscore the urgent need to enhance financial literacy, empowering individuals to make wise choices about personal financial management.

In this context, financial sector regulators and service providers should implement financial literacy and consumer protection awareness campaigns across various provinces. These initiatives can promote the safe use of digital products, encourage saving in licensed financial institutions, and deter participation in fraudulent investment schemes, such as money circulation programs.

We believe that a well-informed and protected financial consumer is essential for increasing the uptake and utilization of financial services and products. In fact, studies have shown that greater savings uptake is linked to positive perceptions of disclosure and transparency from financial service providers.

Ladies and Gentlemen

With regards to financial literacy, I wish to recognise the efforts that the other financial sector supervisory authorities have been making to contribute to national financial education.

In the first instance, I would like to applaud the Pensions and Insurance Authority, along with the Insurance Association of Zambia and the insurance companies, for commemorating the Insurers Week in the month of September 2024 under the theme **“A solution in uncertain times”**.

Secondly, I would also wish to recognise and applaud the Securities and Exchange Commission and the Capital Markets Association of Zambia for commemorating the World Investor Week in the month of October 2024 under the theme **“Learn more about digital finance, sustainable finance and avoid frauds and scams”**.

I am confident that the key messages disseminated, and the activities undertaken during both the Insurers Week and World Investor Week will contribute to raising the levels of financial literacy and financial inclusion in the country. These annual

commemorations are a clear demonstration that the implementation of the National Strategy on Financial Education cuts across the whole financial sector.

Ladies and Gentlemen

I would like to take this opportunity to recognize the contributions of individuals and organizations toward improving financial literacy in Zambia. Financial Literacy Awards will be presented to deserving recipients for their efforts in implementing financial education across various categories within the financial sector.

I am delighted to be part of this year's World Savings Day award presentation and commend all the nominated participants.

As I conclude my remarks, I would like to express my gratitude to the organizers and all stakeholders for their ongoing support in commemorating World Savings Day. Additionally, I want to welcome the Zambia Information and Communication Technology Authority and World Vision, who are now part of the National Strategy on Financial Education All Ages Working Group. I am confident that these two institutions will make significant contributions to promoting financial literacy and financial inclusion in Zambia.

THANK YOU