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The Bank of Zambia
(Act No. 43 of 1996)

The Monetary Policy Statement

1.0 INTRODUCTION

This Monetary Policy Statement reviews the performance of monetary policy over the first half of 2009 and outlines the formulation of monetary policy during the period July to December 2009. The statement also discusses the major challenges which may impact on the conduct of monetary policy during the second half of 2009, and then outlines the policy actions that the Bank of Zambia is likely to take. The summary of the principles that will guide the Bank of Zambia's monetary policy formulation and implementation over the next two years up to December 2011 are discussed in the final part of this Statement.

2.0 TARGETS AND CHALLENGES

In order to achieve the 2009 end-year inflation target of 10.0%, it was envisaged that in the first half of the year, reserve and broad money would both grow by no more than 2.6% (see Table 1).

Table 1: Selected Monetary Indicators, Dec 2007 Jun 2009 (percent change)

	2007	Jan Jun 2008		Jul Dec 2008		Jan Jun 2009*	
	Actual	Prog.	Actual	Prog.	Actual	Prog.	Actual
Overall Inflation	8.9	2.3	7.6	7.0	16.6	12.2	14.4
<i>Non-food Inflation</i>	<i>11.9</i>	<i>2.4</i>	<i>4.5</i>	<i>8.3</i>	<i>12.9</i>	<i>13.6</i>	<i>14.7</i>
<i>Food Inflation</i>	<i>5.9</i>	<i>2.7</i>	<i>10.9</i>	<i>6.0</i>	<i>20.5</i>	<i>10.8</i>	<i>14.1</i>
Reserve Money	9.2	0.8	1.0	11.5	24.3	2.6	-3.9
Broad Money*	26.3	0.9	-3.4	11.6	20.3	2.6	0.2
Domestic Credit*	20.3	-	19.8	-	36.0	-	2.4
<i>Government</i>	<i>-20.2</i>	<i>-</i>	<i>-15.8</i>	<i>-</i>	<i>88.0</i>	<i>-</i>	<i>28.5</i>
<i>Public Enterprises</i>	<i>68.7</i>	<i>-</i>	<i>-53.9</i>	<i>-</i>	<i>-9.4</i>	<i>-</i>	<i>-5.0</i>
<i>Private Sector Credit</i>	<i>41.5</i>	<i>-</i>	<i>-2.8</i>	<i>-</i>	<i>33.9</i>		
Domestic Financing (% of GDP)	1.0	0.6	0.4	0.1	1.2	1.9	

Source: Central Statistical Office-The Monthly and Bank of Zambia-Statistics Fortnightly

- Indicates no target under the economic programme

* Preliminary estimates for June 2009

During the first half of 2009, the Bank faced some challenges in implementing monetary policy aimed at lowering inflation. These included:

- *Higher prices of cereals (maize and maize products) in April, following the end of the maize price stabilisation programme by the Food Reserve Agency (FRA), coupled with lower supply of the commodity in the first quarter of the year;
- *Lower seasonal supply of fish and fresh vegetables and consequently higher prices during the last month of the first part of the year;
- *Pass-through effects of the depreciation in the exchange rate of the Kwacha against major foreign currencies;
- *Increased spending by Government line ministries and agencies in the latter half of the period; and
- *Continued adverse effects of the global recession on the government revenues, foreign exchange earnings, the exchange rate, and inflation expectations.

However, these inflationary pressures were partly mitigated by the stability of the domestic prices of petroleum products, net sale of foreign exchange to the markets that minimised liquidity pressures, and improved supply of food in the market during the latter part of the period under review.

From the monetary operations perspective, the Bank of Zambia continued implementing appropriate monetary policy to keep money supply growth within the programmed path in order to contain the effects of the afore-stated challenges. To this end, the Bank of Zambia largely relied on indirect instruments of monetary control, notably, Open Market Operations (OMO). This was to be complimented by prudent fiscal operations and significant net sales of foreign exchange to the market between January and April, 2009.

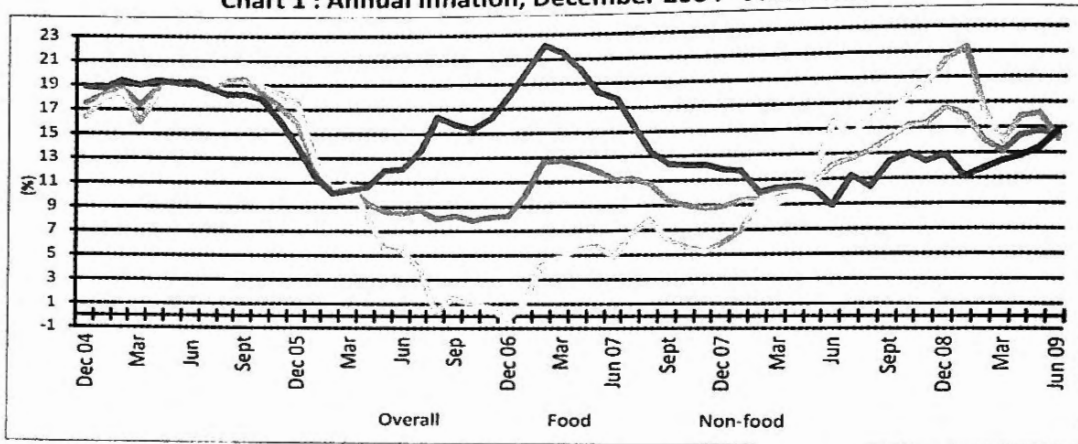
3.0 ASSESSMENT OF MONETARY POLICY OUTCOME, JANUARY - JUNE, 2009

Overall annual inflation declined by 2.2 percentage points to 14.4% in the first half of 2009. Similarly, both reserve money and broad money supply declined and were both below their end period growth limits. During the review period, yield rates on Government securities were generally stable but commercial banks lending and deposit interest rates increased marginally while savings rate remained unchanged. The period under review broadly continued to be characterised by depreciating pressures of the Kwacha, an aftermath of the global financial crisis of the last half of 2008. Consequently, the Kwacha recorded a broad-based depreciation against the major trading currencies in the first half of the year.

3.1 OVERALL INFLATION

Overall annual inflation declined by 2.2 percentage points to 14.4% in June 2009 from the 16.6% recorded in December 2008 but was above the 12.2% projection. The underlying inflationary pressures emanated largely from the increase in non-food inflation (see Chart 1 and Table 2). The latter was, in turn, mainly driven by the pass-through effects of the weakening of the Kwacha against the US dollar. On the other hand, food inflation declined due in part to the Government's maize price stabilisation programme in the first quarter of 2009 and improved supply of many food items from domestic sources, following the onset of the 2009/10 crop marketing season.

Chart 1 : Annual Inflation, December 2004 - June 2009



Source: Central Statistical Office, The Monthly

3.2 NON-FOOD INFLATION

Annual non-food inflation rose to 14.7% from the 12.9% recorded in December 2008. This outturn was 1.1 percentage points above the target of 13.6%, accounting for 7.4 percentage points to annual overall inflation performance. The unfavourable non-food inflation outturn was largely due to price increases on furniture and household goods, contributing 2.5 percentage points; transport sub-group, contributing 1.6 percentage points; and rent and household energy, contributing 1.1 percentage points.

3.3 FOOD INFLATION

Annual food inflation declined to 14.1% from the 20.5% recorded in December 2008 partly as a result of the Government's maize price stabilisation programme in the first quarter of 2009 and favourable global and domestic food prices resulting from the improved supply. This development was however, 3.3 percentage points above the end June target of 10.8% and accounted for 7.0 percentage points to annual overall inflation outturn. Accounting for this were price declines on tubers, mealie meal, vegetables and groundnuts due to improved supply of the commodities on the market in the latter part of the period under review. Other price declines recorded were on both fresh and dry fish as a result of improved supply after lifting the annual fish ban that was effected in the period December 2008 to March 2009.

Table 2: Inflation Outturn [%] - Dec 2004 Jun 2009

Description	Monthly			Annual			Year-to-date		
	Overall	Food	Non-food	Overall	Food	Non-food	Overall	Food	Non-food
Dec 04	2.2	3.0	1.3	17.5	17.5	18.9	17.5	16.3	18.9
Dec 05	1.0	2.4	-0.6	15.9	15.9	14.0	15.9	17.5	14.0
Jan 06	-0.1	-0.5	0.5	12.2	12.8	11.5	-0.1	-0.5	0.5
Feb 06	-0.2	-1.0	0.8	10.3	10.2	10.1	-0.3	-1.6	1.3
Mar 06	0.8	0.6	0.9	10.7	10.9	10.4	0.5	-1.0	2.2
Apr 06	0.2	-1.1	0.5	9.4	8.3	10.6	0.7	-2.0	3.8
May 06	0.4	-1.4	2.4	8.6	5.6	12.0	1.1	-3.4	6.3
Jun 06	0.8	0.1	1.5	8.5	5.3	12.1	1.9	-3.3	7.9
Jul 06	0.3	-1.1	1.8	8.7	4.3	13.6	2.1	-4.4	9.9
Aug 06	0.8	-1.5	3.0	8.0	0.4	16.4	3.0	-5.8	13.2
Sept 06	1.6	1.9	1.4	8.2	1.5	15.7	4.7	-4.0	14.8
Oct 06	0.7	0.7	0.7	7.9	1.0	15.4	5.5	-3.3	15.5
Nov 06	1.5	1.9	1.2	8.1	0.8	16.2	7.0	-1.5	16.9
Dec 06	1.2	1.3	1.0	8.2	-0.2	18.1	8.2	-0.2	18.1
Jan 07	1.4	0.7	2.1	9.8	1.0	20.0	1.4	0.7	2.1
Feb 07	2.3	2.0	2.6	12.6	4.2	22.1	3.7	2.8	4.7
Mar 07	0.8	1.3	0.4	12.7	4.9	21.5	4.6	4.1	5.1
Apr 07	-0.1	-0.5	0.4	12.4	5.5	20.1	4.6	3.6	5.5
May 07	-0.2	-1.3	0.8	11.8	5.7	18.2	4.3	2.3	6.3
Jun 07	0.2	-0.7	1.1	11.1	4.8	17.7	4.7	1.5	7.5
Jul 07	0.3	0.6	0.0	11.2	6.7	15.6	4.9	2.2	7.5
Aug 07	0.4	-0.3	1.0	10.7	7.9	13.3	5.3	1.9	8.5
Sept 07	0.4	0.3	0.6	9.3	6.2	12.4	5.7	2.2	9.2
Oct 07	0.3	0.2	0.5	9.0	5.6	12.2	6.1	2.3	9.8
Nov 07	1.3	1.4	1.2	8.7	5.2	12.2	7.5	3.8	11.1
Dec 07	1.3	2.0	0.8	8.9	5.9	11.9	8.9	5.9	11.9
Jan 08	1.8	1.7	1.9	9.3	6.9	11.7	1.8	1.7	1.9
Feb 08	2.5	4.1	1.1	9.5	9.1	10.0	4.3	5.9	2.9
Mar 08	1.0	1.3	0.8	9.8	9.1	10.4	5.4	7.2	3.7
Apr 08	0.3	0.1	0.4	10.1	9.8	10.5	5.7	7.4	4.2
May 08	0.4	0.4	0.5	10.9	11.7	10.1	6.2	7.9	4.7
Jun 08	1.3	2.8	-0.1	12.1	15.6	8.8	7.6	10.9	4.5
Jul 08	0.8	-0.6	2.3	12.6	14.2	11.2	8.5	10.2	6.9
Aug 08	0.9	1.5	0.3	13.2	16.3	10.4	9.4	11.9	7.2
Sept 08	1.3	0.2	2.3	14.2	16.2	12.4	10.9	12.1	9.7
Oct 08	1.2	1.4	1.0	15.2	17.6	13.0	12.2	13.6	10.9
Nov 08	1.4	2.2	0.7	15.3	18.5	12.4	13.8	16.2	11.6
Dec 08	2.4	3.7	1.2	16.6	20.5	12.9	16.6	20.5	12.9
Jan 09	1.3	2.4	0.3	16.0	21.3	11.1	1.3	2.4	0.3
Feb 09	0.7	-0.2	1.6	14.0	16.3	11.7	2.0	2.2	1.8
Mar 09	0.3	-0.8	1.3	13.1	13.9	12.3	2.3	1.4	3.2
Apr 09	1.3	1.9	0.8	14.3	15.9	12.7	3.7	3.3	4.0
May 09	0.8	0.6	1.0	14.7	16.1	13.3	4.5	3.9	5.0
Jun 09	1.1	1.0	1.2	14.4	14.1	14.7	5.6	5.0	6.2

Source: Central Statistical Office Press Release

3.4 MONETARY AND CREDIT DEVELOPMENTS

RESERVE MONEY DEVELOPMENTS

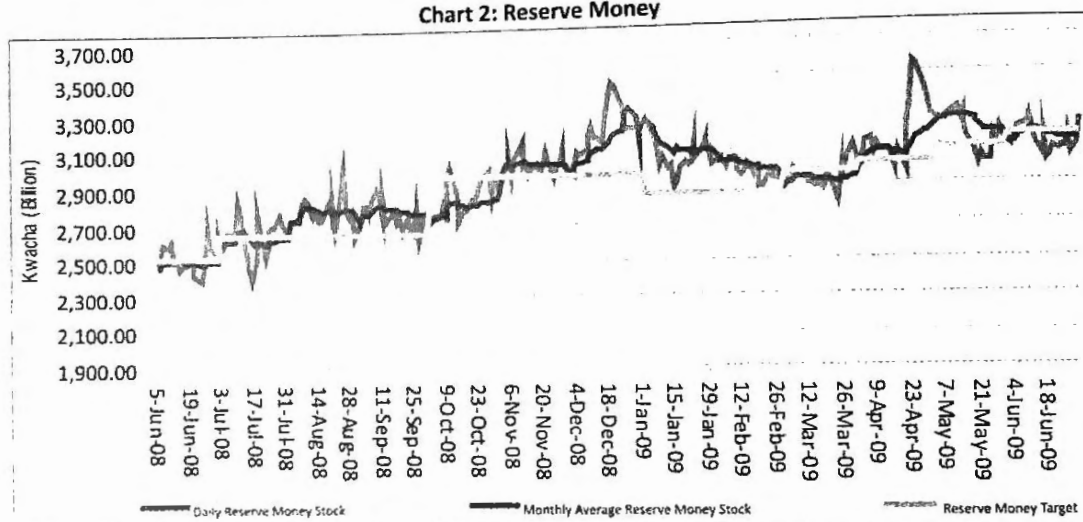
During the first half of 2009, reserve money stock was expected to decline by at least 2.0% to K3,151.1 billion from a stock of K3,213.7 billion. Although open market operations remained the mainstay of liquidity control, the effect of stronger net sales of foreign exchange by the BoZ was the main factor absorbing liquidity. The statutory reserve ratio was maintained at 8.0% while the core liquid assets ratio remained unchanged at 9.0%.

Average reserve money declined by 2.7% to K3,213.7 billion at end of June 2009, which was 5.3 percentage points lower than the projected end-period growth of 2.6%. This decline in reserve money was mainly driven by the increase in net sale of foreign exchange.

During the first quarter of the period under review, reserve money declined rapidly to a monthly-average low of K2,905.1 billion in March 2009 largely on account of stronger net sales of foreign exchange by BoZ. Following a continuation of the instability in the foreign exchange market arising from the global financial crisis in the last quarter of 2008, a total of K1,408.3 billion worth of foreign exchange was sold to commercial banks for the purpose of restoring orderliness in the financial markets. In order to finance their foreign exchange purchases from the BoZ, commercial banks drew down their deposits held under open market operations to a low of K359.0 billion by April 2009 from K927.5 billion at end-December 2008 (Appendix III, Table 4).

The declining trend in reserve money was however, reversed in the latter half of the reviewed period largely on account of increased spending by Government line ministries and agencies. In order to keep reserve money growth in check, the BoZ conducted withdrawing Open Market Operations (OMO), leading to a moderate increase in funds held under OMO to K576.5 billion at end-June 2009. Consequently, the monthly-average reserve money ended the period at K3,127.6 billion, slightly below the target of K3,151.1 billion (see Chart 2).

Chart 2: Reserve Money



Source: Bank of Zambia

On the uses side, the reduction in reserve money was largely reflected by declining commercial banks' deposits at the BoZ. Commercial banks' current accounts and statutory reserve deposits fell by a total of K15.6 billion to K1,278.4 billion. However, the amount of currency in circulation moderately rose to K1,943.9 billion by the end of June 2009 from K1,931.9 billion recorded at end-December 2008, reflecting seasonal demand for transaction cash.

BROAD MONEY DEVELOPMENTS

During the first half of 2009, broad money (M3) growth, comprehensively defined to include foreign currency deposits, declined by 20.1 percentage points to 0.2% from the 20.3% recorded in the second half of 2008. This outcome was 2.4 percentage points below the end-June 2009 growth target of 2.6%. The source of slow growth in M3 in the first half of 2009 was the decline in the growth of net domestic assets (NDA) as net foreign assets (NFA) grew in the period under review. NDA fell by 14.5%, contributing negative 8.3 percentage points to M3 growth, on account of the decline in credit to the private sector (including parastatals). However, NFA increased by 19.8% as a result of the increase in the gross international reserves (GIR) and valuation effects arising from the depreciation of the Kwacha against global currencies. NFA growth contributed 8.5 percentage points to the growth in M3. Excluding foreign exchange deposits that increased by 11.1%, mainly reflecting valuation effects of the depreciation in the exchange rate of the Kwacha, broad money declined by 5.1% in the period under review compared with the 15.0% increase recorded in the second half of 2008.

On an annual basis, M3 growth slowed down to 20.6% (June 2008, 26.7%) from the 21.8% recorded in December 2008 and remained below the annual growth projection for end-June of 24.5% (see Table 3 and Chart 3). This outcome was largely due to the fall in the NDA growth as the NFA increased. The NDA growth declined to negative 2.0% (December 2008, 31.9%), contributing 1.1 percentage points to annual M3 growth. The NFA increased by 45.9% (June 2008, 16.6%) compared with the 10.7% recorded in December 2008, largely on account of valuation effects due to the depreciation of the Kwacha against global currencies as the gross international reserves (GIR) increased by 3.3%, and contributed 19.5 percentage points to M3 expansion. Excluding foreign currency deposits that rose by 47.5% in local currency as result of the impact of the depreciation of the Kwacha against major currencies, annual money supply growth slowed down to 9.2% from the 22.1% recorded during the second half of 2008.

The increase in the GIR in the reviewed period was partly as a result of the disbursement of US \$162.2 million by the International Monetary Fund in May 2009. The IMF disbursement followed the completion of the first and second reviews of Zambia's economic

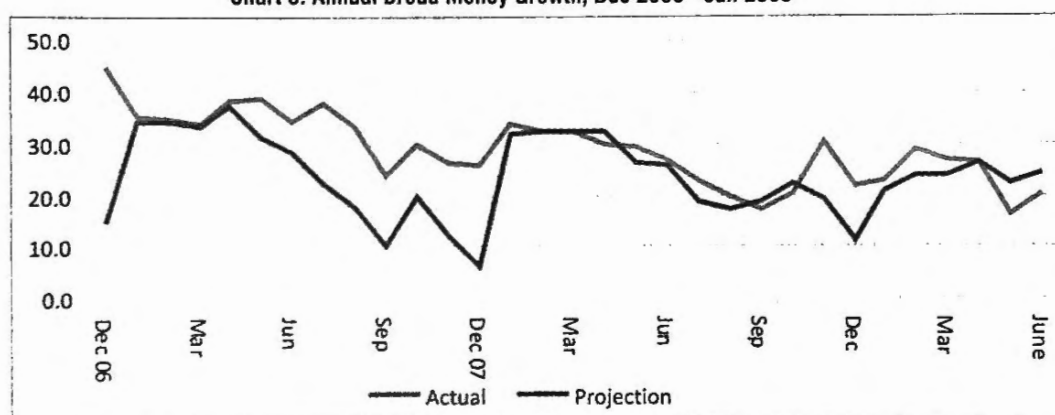
performance under the Poverty Reduction and Growth Facility (PRGF) arrangement and was aimed at cushioning the domestic economy from the impact of the global financial crisis. Following the global commodity price increase and later the global financial and economic crisis, Zambia's program implementation and economic performance were adversely affected. In particular, the international food and fuel price impulses in the first half of 2008 pushed inflation above the program target, while a steep fall in copper prices related to the current global economic and financial crisis severely reduced export earnings and government revenue.

Table 3: Broad Money Developments (in K' bn unless otherwise stated), Jun 2007 - Jun 2009

Description	Jun 2007	Dec 2007	Jun 2008	Dec 2008	Jun 2009
Broad Money (M3)	8,557.2	10,707.0	10,840.1	13,044.3	13,075.5
o/w Foreign Exchange Deposits	3,044.6	3,538.4	3,232.1	4,293.5	4,768.9
M3 (excl. Foreign Exchange Deposits)	5,512.6	7,168.6	7,608.0	8,750.8	8,306.6
6-Month Change in M3 (%)	1.0	25.1	1.2	20.3	0.2
6-Month Change in Foreign Exchange Deposits (%)	12.2	16.2	-8.7	32.8	11.1
6-Month Change in M3 (excl. Foreign Exchange Deposits) [%]	-4.3	30.0	6.1	15.0	-5.1
Annual Change in M3 (%)	36.1	26.3	26.7	21.8	20.6
Annual Change in Foreign Exchange Deposits (%)	51.6	30.4	6.2	21.3	47.5
Annual Change in M3 (excl. Foreign Exchange Deposits) [%]	28.8	24.4	38.0	22.1	9.2

Source: Bank of Zambia

Chart 3: Annual Broad Money Growth, Dec 2006 - Jun 2009



Source: Bank of Zambia.

DOMESTIC CREDIT DEVELOPMENTS

Growth of domestic credit, comprehensively defined to include foreign currency loans slowed down to 5.4% in the first half of 2009 from the 36.0% increase in the second half of 2008. This outturn was due to a relative lower growth in credit to the private sector (including public enterprises) as well as a slowdown in credit growth to the Government. Private sector credit growth declined to 4.2% from the 26.2% recorded in the second half of 2008, contributing 3.3 percentage points to domestic credit. This fall was as a result of the tightened lending conditions, in turn explained by higher risk assessment levels amidst the global economic recession and the fall in domestic economic activities. However, net claims on central government grew by 9.7% compared with the 88.0% recorded in the second half of 2008 and contributed 2.1 percentage points to domestic credit growth. Excluding foreign currency denominated loans that declined by 3.1% partly due to exchange rate risk aversion by borrowers, domestic credit growth slowed down to 8.8% from the 74.5% recorded in December 2008.

On an annual basis, domestic credit growth increased to 43.3% (June 2008, 28.3%) from the 38.3% recorded in December 2008. The increase in domestic credit growth was due to the rise in both private sector credit and net claims on Government. Credit growth to the private sector (including public enterprises) increased by 31.5% (December 2008, 42.9%) and accounted for 26.5 percentage points to annual credit growth. The net claims on Government rose by 106.1% and contributed 16.8 percentage points to annual credit expansion. Excluding foreign currency denominated credit, which expanded by 75.1% partly due to valuation effects of the depreciation of the Kwacha against major currencies, annual local currency denominated domestic credit growth increased to 89.9% from 28.4% in December 2008 (see Table 4).

Table 4: Domestic Credit Developments (in K' bn unless otherwise stated), Jun 2007 - Jun 2009

Description	Jun 07	Dec 07	Jun 08	Dec 08	Jun 09
Domestic Credit (DC)	6,039.1	7,616.6	7,749.3	10,536.2	11,107.8
O/w Foreign Exchange Credit	1,553.3	1,747.7	1,661.8	3,001.7	2,909.9
DC (Excl. FX Credit)	4,485.8	5,868.9	4,316.8	7,534.5	8,197.9
6-Month Change in Domestic Credit	-5.0	26.1	1.7	36.0	2.4
6-Month Change in Foreign Exchange Credit	15.4	12.5	-4.9	80.6	-3.1
6-Month Change in DC (Excl. Foreign Exchange Credit)	-10.5	30.8	3.7	74.5	8.8
Annual Change in Domestic Credit	2.6	19.8	28.3	38.3	43.3
Annual Change in Foreign Exchange Credit	34.4	29.8	7.0	71.8	75.1
Annual Change in DC (Excl. Foreign Exchange Credit)	-5.2	17.1	35.7	28.4	89.9

Source: Bank of Zambia, Economics Department

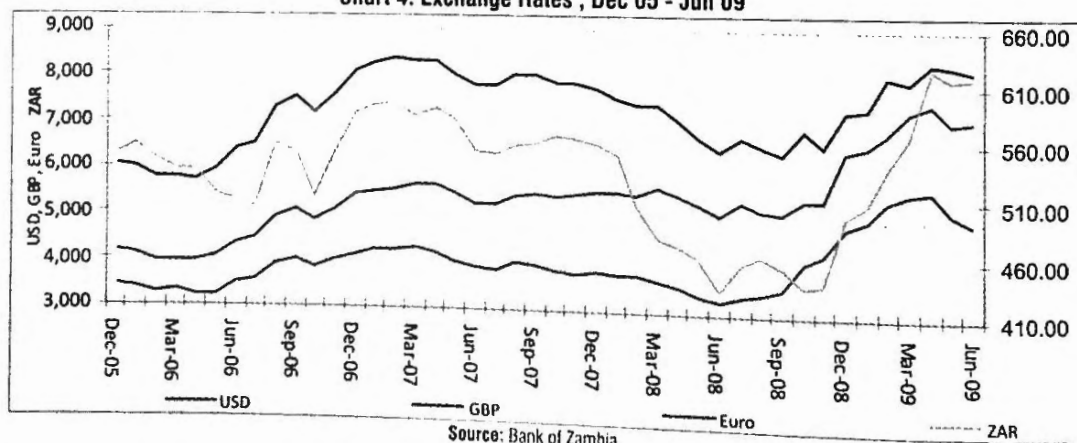
On sectoral basis, households (personal loans category) continued to be the largest recipient of credit, accounting for 21.6% (25.4%) in June 2009. Agricultural sector again was second at 18.4% (16.2%), followed by manufacturing, 11.0% (10.8%); wholesale and retail trade, 9.1% (9.7%), financial services, 8.1% (7.8%); and transport and communications, 7.9% (7.0%) (see Appendix III, Table 5a).

3.5 FOREIGN EXCHANGE MARKET

In the foreign exchange market, demand pressures, which had seen the Kwacha depreciate during the second half of 2008, continued into the first four months of 2009. The reversal of portfolio flows in Government securities and the stock market continued. These, with the combined demand for food imports and servicing the financing facility for oil procurement, particularly during the first four months of the year, exerted significant pressure on the exchange rate of the Kwacha against major currencies to depreciate during the first quarter of 2009. Consequently, the Kwacha recorded a broad-based depreciation against the major trading currencies in the first quarter of the year. This development was despite the Bank of Zambia's continued presence in foreign exchange market through the sale of foreign exchange. Against the US dollar, the Kwacha depreciated by 16.0%, to settle at a monthly-average of K5,660.35 per US dollar, by April 2009. Similarly, the Kwacha depreciated by 14.6%, 15.2%, and 26.2% against the Pound sterling, euro, and South African rand to K8,319.35, K7,441.26, and K626.62 per one unit of these currencies, respectively.

However, over the second quarter of 2009, the Kwacha recorded some recovery, reflecting improved investor sentiments following the progressive recovery in copper prices from the beginning of the year. The recovery was also supported by the Bank of Zambia's aggressive policy response of increasing net sales of foreign exchange. To this end, the Bank's net sales of foreign exchange during the first six months of 2009 rose to US \$256.5 million from US \$184.0 million in the last half of 2008. Further, the Bank acted to curb speculative currency trades by issuing a directive to commercial banks to desist from lending local currency with a maturity period of less than one year to non-residents. These interventions also helped restore stability in the foreign exchange market in the last quarter of the period under review. Hence, the exchange rate appreciated to a monthly-average of K5,281.64/US\$ in June 2009 from K5,660.35/US\$ as at April 2009. Against the Pound sterling, euro, and South African rand, the Kwacha recovered by recording appreciations of 2.0%, 4.7% and 1.2% to K8,150.33, K7,095.00, and K618.92, respectively.

Chart 4: Exchange Rates, Dec 05 - Jun 09



In the interbank market, trading activities between commercial banks increased with trade volumes amounting to US\$3,443 million from US\$2,813.5 million recorded in the six months to December 2008. In contrast, commercial banks reported lower trade volumes of US\$2,879.1 million whereas their sales fell to US\$2,375.8 million from US\$2,775.8 million. Consequently, banks recorded net purchases of US\$103.3 million recorded in the previous quarter.

With regard to the South African rand, commercial banks continued to be net sellers of the currency as demand by the public remained in excess of supply. During the period under review, the banks made net sales of ZAR1,506.6 million compared with net sales of ZAR1,611.3 million recorded during the previous period. With respect to the euro, commercial banks recorded net outflows of €0.1 million compared with net inflows of €74.5 million in the previous review period. Further, the pound sterling net sales of £10.4 million were recorded com-

3.6 INTERNATIONAL TRADE DEVELOPMENTS

Preliminary data indicate that Zambia recorded a merchandise trade surplus (c.i.f) of US \$58.9 million during the first half of 2009 from a merchandise trade deficit of US \$535.8 million recorded during the second half of 2008 (see Appendix III, Table 1). This was mainly explained by a 26.0% decline in the merchandise imports bill. The import bill decreased to US \$1,986.7 million from US \$2,683.7 million registered during the second half of 2008. This followed reduced imports of food items (26.5%), fertiliser (41.4%), petroleum products (33.6%), chemicals (27.5%), plastic and rubber products (32.6%), paper and paper products (25.7%), and iron and steel (53.2%), industrial boilers and equipment (37.1%), electrical machinery and equipment (36.2%), vehicles (40.3%) and other imports (48.8%) (see Appendix III, Table 2).

During the period under review, merchandise export earnings declined by 19.5% to US \$1,728.8 million compared with US \$2,147.9 million registered during the second half of 2008. This was explained by a decline in both metal and Non-Traditional Exports (NTEs).

Box 1: An Update on the Global Financial Crisis and Economic Situation in Zambia

The world economic outlook, as projected by the International Monetary Fund (IMF) in its July 2009 World Economic Outlook report, indicates that the world economy is stabilising, as a result of the unprecedented macroeconomic and financial policy intervention. However, the report states that the global recession is not over and it is expected that the global economic recovery will probably be sluggish.

Despite a disappointing first quarter, during which the global economy contracted almost as fast as during the fourth quarter of 2008, the IMF projections in the report shows that the global economic outlook point to a return to modest growth at the global level. Nonetheless, projections for the advanced economies as a group still show a sluggish growth in economic activities until the second half of 2010. Consequent to this, global activity is forecast to contract by 1.4% in 2009 and to expand by 2.5% in 2010. The higher annual average growth rate for 2010 is said to largely reflect a carryover from a markup in growth during the final half of 2009.

On the domestic front,

- Zambia's growth prospects in 2009 have moderated in view of the global developments. As a result of this, the projected gross domestic product has been revised downwards to 4.0% from the 5.0% announced in the budget speech in February 2009. The projections for 2010 are that the economy is expected to record real GDP growth of 4.5%.
 - This reduction has implications for the domestic revenues, with both corporate and income taxes likely to reduce. Consistent with this, fiscal performance in the first half of 2009 was weak primarily due to poor revenue outturn.
- Export earnings declined by 25.8% in the first half of 2009 compared to the performance in the second half of 2008. This was due to the decline in earnings for both metal and non-traditional exports. However, the trade deficit narrowed on account of a relatively larger decline on imports.
- Additionally, there was relative volatility in the exchange rate in reviewed period and there was an increase in inflation in the months of April and May 2009, although there have been some improvements in the last part of the half year period.
- Production of copper, Zambia's major export, increased by 30.1% in the first half of 2009 (First half 2008, 8.7%) from the 26.4% decline recorded in the second half of 2008.

Copper export earnings, at US \$1,349.2 million, were 11.6% lower than US \$1,526.0 million recorded during the second half of 2008. This was largely on account of a 24.5% fall in average realised prices to US \$1.73 per pound from US \$2.29 per pound recorded in the second half of 2008. The decline in the average realised copper price was mainly attributed to weaker global demand resulting from the global economic recession. However, volumes of copper export increased by 17.1% to 354.5 mt from the 302.9mt recorded in the second half of 2008.

Cobalt export earnings declined by 72.7% to US \$31.3 million during the first half of 2009 from US \$114.7 million the previous period following a 64.5% decline in cobalt average realised prices as well as a 23.3% fall in export volumes. The average realised price of cobalt declined to US \$7.83 per pound from the US \$22.07 per pound recorded in the second half of 2008, while cobalt export volume declined to 1,809.6 metric tons from 2,358.06 metric tons in the second half of 2009 (see Appendix III, Table 3).

Non-traditional export earnings at US \$348.3 million were 31.3% lower than the US \$507.3 million realised during the second half of 2008. This was explained by a decline in earnings from the exports of copper wire, cane sugar, burley tobacco, cotton lint, cotton yarn, fresh fruit and vegetables, and gemstones. In addition, exports of wheat and maize declined thereby contributing to the recorded fall in NTEs.

Merchandise imports declined to US \$1,986.7 million from US \$2,683.7 million in the second half of 2009. This was due to lower imports bill associated with commodity groups such as food items, petroleum products, fertiliser, chemicals, paper and paper products, iron and steel products, industrial boilers and equipment, electrical machinery, vehicles and other imports. The decline in imports in part reflected the slowdown in activities in the mining sector, as investment expenditure slowed and firms responded to the global economic crisis by rationalising their costs and in some cases slowing or closing down production.

3.7 FISCAL DEVELOPMENTS

The fiscal sector is one other area apart from the external sector where the adverse impact of the global financial crisis and economic recession has been significant as reflected in the reduced Government revenues. Revenues from key sectors such as mining, tourism and manufacturing have plummeted since the advent of the crisis. Further, revenues from trade in general and imports in particular have also been adversely affected. Accordingly, fiscal performance was weak during the first half of 2009. Tax revenues were significantly below projections, largely reflecting lower trade taxes and donor inflows. Notwithstanding this, the central Government recorded a lower budget deficit than programmed, mainly achieved through a substantial compression of expenditures, with likely adverse effects on the implementation of various social and infrastructural programmes envisaged in the 2009 budget. Total domestic financing, thus remained under control during the first half of the year.

Preliminary data indicate that the central Government recorded a budget deficit of K751.7 billion during the first half of 2009, 4.4% lower than the programmed deficit of K786.6 billion. The lower deficit was made possible mainly through expenditure reductions, as revenue performance was less than satisfactory (see Appendix III, Table 6).

The total revenue and grants during the first half of the year at K5,095.0 billion was below the programmed outturn of K6,870.8 billion by 25.8%. This was on account of both the delayed disbursement of donor support and the global financial crisis and resulted in lower than programmed grants, at K523.4 billion, against the projection of K1,861.6 billion.

Moreover, both tax and non-tax revenues were below their respective targets, albeit by different margins, on account of the slowdown in economic activity in the face of the global economic recession. Tax revenue at K4,395.9 billion was 8.9% below the target of K4,823.4 billion mainly reflected in the lower than programmed outturn in import VAT, and excise and customs duties, which were below programmed levels by K257.2 billion, K256.0 billion and K134.9 billion, respectively. Non-tax revenue was below the target of K185.8 billion by K10.1 billion on account of lower than programmed fees and fines.

Total expenditure at K5,846.7 billion was below the programmed level of K7,657.4 billion by K1,810.7 billion. The need to reduce expenditure arose mainly as a result of the lower than programmed revenue outturn. Major expenditure cutbacks were recorded on non-financial assets, use of goods and services, and grants and other payments, which were below target by K783.9 billion, K529.5 billion and K406.4 billion, correspondingly. This may adversely affect implementation of various social and infrastructural programmes envisaged in the 2009 budget and would consequently have negative implications on the achievement of some social and economic objectives for 2009.

Total financing during the first half of 2009 was K455.8 billion, 40.3% below the programmed financing of K763.6 billion. This outturn was attributed to the lower actual expenditure than programmed. Total financing comprised of domestic financing of K485.0 billion and amortisation of K29.2 billion.

3.8 MONEY AND CAPITAL MARKETS DEVELOPMENTS

3.8.1 MONEY MARKETS

3.8.1.1 DEMAND FOR GOVERNMENT SECURITIES MARKET

Despite a continuing absence of foreign portfolio investors, demand for Treasury bills improved. With an unchanged K100.0 billion worth of Treasury bills on offer per week, investors submitted an average of K107.3 billion compared with an average of K68.0 billion worth of bids in the previous period.

Perhaps reflecting expectations of falling interest rates, investors preferred the 364-day term as it recorded an oversubscription rate of 33.3%. However, investor demand for Government bonds continued to be weak. Investors bid an average of K64.2 billion against K120.0 billion offered on each auction in the period under review (see Appendix III, Table 7).

3.8.1.2 STOCK OF GOVERNMENT SECURITIES

Despite a weak demand for Government securities relative to supply, the overall stock of outstanding Government securities increased. The stock of Treasury bills at cost rose by 10.3% to K3,178.2 billion while Government bonds at cost decreased by 1.3% to K4,287.4 billion. At face value, the stock of Treasury bills rose by 11.3% to K3,662.3 billion while the stock of bonds fell by only 0.3% to K4,727.2 billion, partly on account of relatively high interest rates obtaining during the review period.

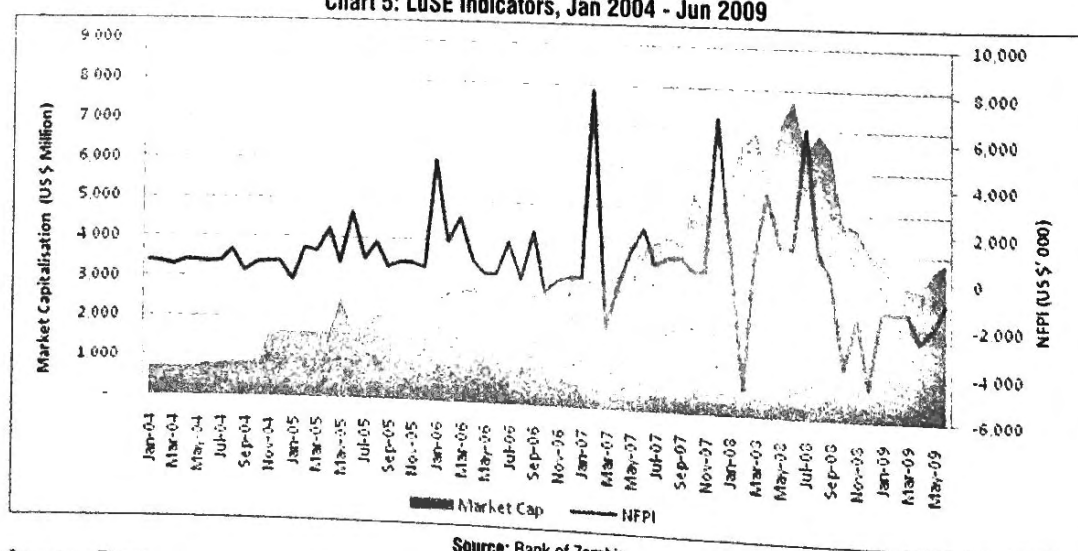
All outstanding Treasury bills at the end of the review period were held by domestic investors while foreign investors' holdings worth K372.4 billion (11.4% of the total stock) as at end-December 2008 were redeemed by the end of June 2009. With regard to Government bonds, foreign investors' holdings decreased to K444.7 billion (12.9% of the total marketable stock) from K497.7 billion (14.0%) during the period under review. Domestic investors however increased their holdings to K3,161.1 billion from K3,120.3 billion held at end-December 2008.

3.8.2 CAPITAL MARKET DEVELOPMENTS

During the period under review, trading activities at the Lusaka Stock Exchange (LuSE) reflected the effects of the global financial crisis. Similar to the performance of many global equity markets, the LuSE All-share index recorded a decline, particularly in the first part of the review period. The LuSE All share index fell from 2,505.9 to 2,143.4 in April 2009, before recovering to 2,744.6 at end-June 2009. Similarly, market capitalisation fell to K18,583.4 billion but recovered to K20,718.7 billion and was 1.0% higher than the end-December 2008 level (see Chart 5).

Foreign participation on the stock market was generally characterised by continued risk aversion. Foreign portfolio investors trading behaviour on the net basis resulted into negative portfolio flow albeit with signs of improvement (see Chart 5). Net foreign portfolio investments in the equity market declined to negative US \$0.9 million at end-June 2009 from negative US \$4.6 million at end-December 2008.

Chart 5: LuSE Indicators, Jan 2004 - Jun 2009



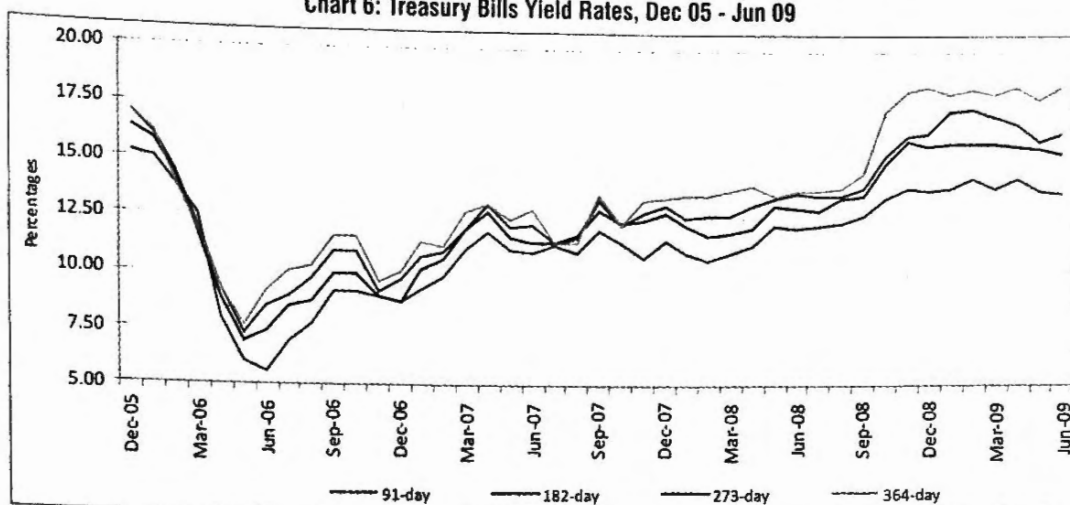
Source: Bank of Zambia

3.9 MARKET INTEREST RATES

3.9.1 GOVERNMENT SECURITIES INTEREST RATES

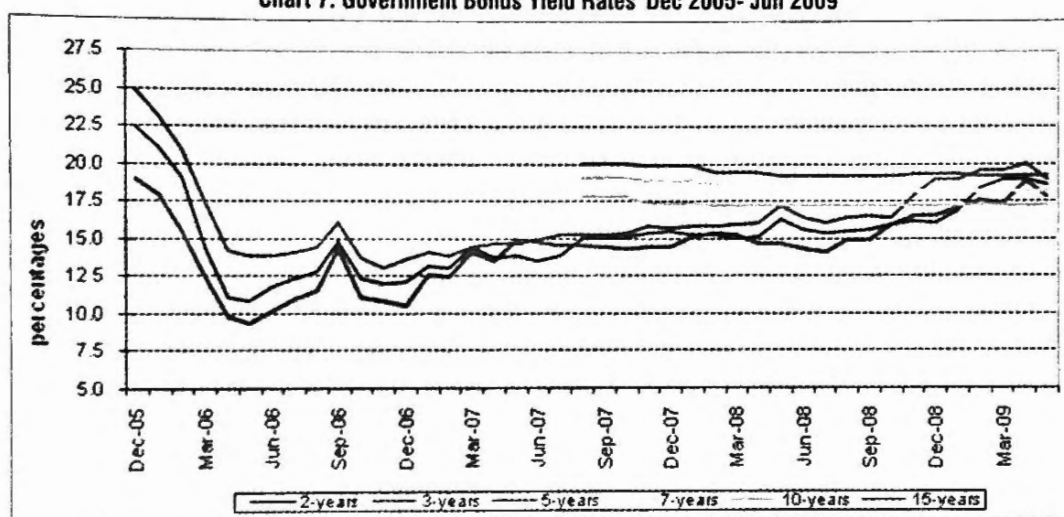
During the review period, developments in yield rates on Government securities were generally high. The composite average yield rate on the Treasury bills portfolio was little changed at a monthly average of 17.2% in June 2009 from 17.1% in December 2008 while the composite yield rate on the Government bonds portfolio closed at 15.7% compared with 15.6% over the period (see Charts 6 and 7).

Chart 6: Treasury Bills Yield Rates, Dec 05 - Jun 09



Source: Bank of Zambia, Statistics Fortnightly

Chart 7: Government Bonds Yield Rates' Dec 2005- Jun 2009



Source: Bank of Zambia, Statistics Fortnightly.

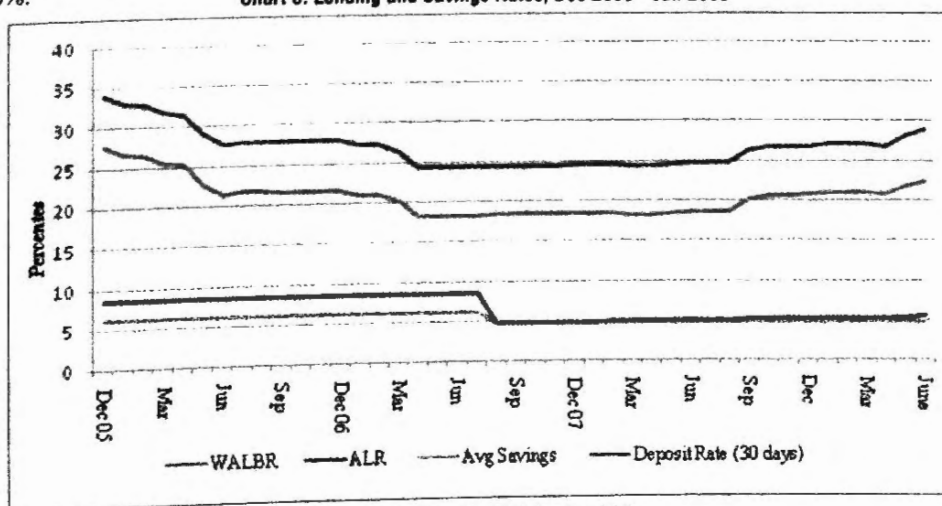
Note: The 7, 10 and 15 years bonds were introduced in August 2007

3.9.2 COMMERCIAL BANKS INTEREST RATES

All the reported commercial banks' nominal interest rates increased in June 2009 except the Average Savings Rate (ASR). The Weighted Average Lending Base Rate (WALBR), the Average Lending Rate (ALR) and the 30-day deposit rate for amounts exceeding K20 million increased to 22.4% (20.8%), 28.9% (26.7%) and 5.6% (5.1%), in that order. The ASR for amounts above K100,000 remained at 4.8% (see Chart 8).

Owing to the increase in the nominal interest rates and the decline in annual overall inflation to 14.4% in June 2009, real interest rates increased. To this effect, the real WALBR, real ALR and the real ASR for amounts above K100,000.00 increased to 8.0% (4.2%), 14.5% (10.1%) and negative 8.8% (negative 11.8%). Similarly, the real 30-day deposit rate for amounts above K20 million rose to negative 9.7% from negative 11.6%.

Chart 8: Lending and Savings Rates, Dec 2005 - Jun 2009



Source: Bank of Zambia, Statistics Fortnightly

3.9.3 NON-BANK FINANCIAL INSTITUTIONS LENDING RATES

In the first half of 2009, developments in the average annual interest rates for non-bank financial institutions were mixed. While the average annual interest rates for building societies increased to 26.2% from 25.3% recorded in the second half of 2008, the average annual interest rates for leasing sub-sector declined to 46.8% from 51.0% recorded in the second half of 2008. There was also a marginal decline in the average annual interest rates for the micro finance subsector to 114.0% from the 114.3% observed in the second half of 2008. However, there was no change in the interest rates for the Development and the Savings and credit finance institutions (see Table 5).

Among the factors explaining higher lending rates among NBFIs, particularly the micro financial institutions and leasing companies, is the expensive source of finance, which is mainly sourced from commercial banks through various lines of credit provided by a consortium of different financial institutions. There is also lack of competition in certain market segments particularly those which are rural based.

Table 5: Average Annual Interest Rates (%)

Description	Second Half 2008	First Half 2009
Development Finance Institutions	20.0*	20.0*
Building Societies	25.3	26.2
Leasing Companies	51.0	46.8
Micro Finance Institutions	114.3	114.0
Savings and Credit Institution	30.0	30.0

Source: Bank of Zambia

* Base Rate, however a margin of 1.0-10.0% is added to the base rate.

During the period under review, lending rates by both commercial banks and non-bank financial institutions continued to be generally high. This, in turn continued to constrain access to loanable funds needed for investment in the economy.

4.0 MONETARY POLICY OBJECTIVES AND INSTRUMENTS FOR JULY-DECEMBER 2009

Over the second half of 2009, monetary policy will remain focused on achieving the end-year inflation target of 10%. In this regard, the Bank of Zambia will take appropriate measures to ensure that the end-year growths in reserve money and money supply are within the programmed limits (see Appendix II, Table 1). Consistent with the inflation target, it is planned that during the period July-December 2009:-

- i. reserve money growth will be at the most 16.2%, and
- ii. broad money growth will be no more than 10.2%.

However, there are challenges to the achievement of the inflation objective and money supply growth targets that include:

- i. pass-through effects of the depreciation of the Kwacha against major currencies;
- ii. the increase in utility charges that is likely to cause cost push inflationary pressures; and
- iii. The increase in oil prices in the global market may lead to an upward adjustment of domestic pump prices and induce cost push inflationary pressures.

To reduce the inflationary pressures that may arise from the challenges stated above, the Bank will continue to employ indirect instruments for monetary operations, namely open market operations and auctioning of Government securities. This is expected to be supported by prudent fiscal operations. In this regard, coordination of fiscal and monetary operations will continue to be maintained and strengthened through information sharing and dialogue. Further, maintaining relative stability in the foreign exchange market will contribute to easing inflationary pressures emanating from the pass-through effects.

In the second half of 2009, the Bank of Zambia will introduce the overnight lending facility (OLF) to operate on a repo or collateralised (secured) basis. The OLF will be a Bank of Zambia's overnight lending facility to commercial banks with adequate collateral to back the loans obtained on an overnight basis. The proposed collateral for use on the facility will be Government securities, that is, Treasury bills and Government bonds with less than 180-days to maturity. The OLF facility is expected to, once fully implemented, among others,

- i. help improve the commercial banks management of short term liquidity by providing an extra channel where they can obtain an overnight credit subject to the provision of adequate collateral.
- ii. enhance monetary policy implementation since it is expected that the rate on the facility would be used in signalling the monetary policy stance through adjustments in the rates prevailing on the facility. It is further expected that the standing facility will contribute to inducing banks to hold lower levels of precautionary balances, thereby enhancing the Bank's open market operations (OMO).
- iii. contribute to money market development through enhanced stability of the inter-bank money market and increased liquidity; and
- iv. provide a mechanism that will be used as an early warning system to detect liquidity problems of particular banks at an early stage

5.0 MONETARY POLICY PRINCIPLES FOR THE PERIOD JANUARY 2010 TO DECEMBER 2011

Monetary policy formulation and implementation will continue to be guided by the Government's broad macroeconomic policies as outlined in the new Medium-Term Expenditure Framework (MTEF) for the period 2010-2012, which is broadly in line with the Vision 2030. For the two year period to December 2011, the Bank of Zambia will aim at reducing annual inflation to no more than 9.0% at the end of 2011. The Government's broad macroeconomic policies and objectives over the medium-term are aimed at enhancing economic growth as well as impacting favourably on poverty reduction. Over this period it is expected that:

- (i) real GDP growth rate of at least 5.0% in 2010 and 5.5% in 2011 will have to be realised. This growth is expected to be largely driven by the agricultural, mining, manufacturing, tourism and construction sectors;
- (ii) end-year inflation will be reduced to no more than 10.0% at end-December 2010 and further down to no more than 9.1% at end-December 2011;
- (iii) domestic financing will be limited to no more than 2.1% of GDP in 2010 and 1.0% of GDP in 2011; and
- (iv) gross international reserves amounting to not less than 3.1 months of import cover in 2010 and 2011 will have to be accumulated.

In the next two years, the Bank of Zambia will continue to formulate and implement monetary policy in line with the market-based principles that are consistent with broad Government policies. In view of this, the Bank of Zambia will maintain the use of market-based instruments of monetary policy to manage liquidity and control the growth of reserve and broad money, thereby contributing to the achievement of the inflation objective. To achieve macroeconomic stability in view of the global financial meltdown and the resulting economic recession, the monetary policy framework will continue to be reviewed to take account of developments in the domestic and global financial markets and to enhance the efficacy of monetary policy.

In this regard, the Bank of Zambia is in the process of reviewing its monetary policy framework in the light of the external sector shocks experienced and their impact on inflation outturn and macroeconomic stability in general. The broad thrust of this review is to assess the costs and benefits of moving from the strict use of a monetary aggregate as the anchor of monetary policy to a short term interest rate.

Appendix I: Selected Macroeconomic Indicators

Description Years	2007 Dec	2008 Mar	2008 Jun	2008 Sep	2008 Dec	2009 Jan	2009 Feb	2009 Mar	2009 Apr	2009 May	2009 Jun
Monetary Aggregates (K'bn)											
Reserve money (in K'billions)*	2,508.3	2,221.4	2,547.59	2,771.80	3,213.7	3,072.0	2,883.2	3,065.0	3,289.2	3,736.0	3,151.1
Growth Rate	50	06	45	53	77	-63	-4.8	6.3	67	-41	05
Broad money (in K'billions)**	10,674.9	10,286.3	10,340.10	11,199.4	13,044.3	13,080.3	13,283.4	13,046.5	13,941.0	13,044.4	13,067.1
Growth Rate	16	-02	-4.8	-21	1.8	0.3	1.4	-2.9	-8.8	-2.6	37
Net Claims on Government (in K'billions)	1,908.9	1,246.0	1,290.5	1,000.1	2,711.2	2,150.6	2,624.0	2,320.7	2,008.7	2,703.4	2,970.1
Prices (%)											
Inflation	89	98	121	142	166	16.0	14.0	13.1	14.3	14.7	14.4
Nominal Interest and yield rates (aver. %)											
Commercial Banks' rates											
Commercial banks' weighted lending base rate	18.3	18.2	18.5	20.1	20.8	20.9	20.9	20.9	20.8	21.7	22.4
Average Savings rate (>K100,000)	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Deposit rate (30 days, over K20 million)	4.8	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.4	5.6
Treasury bill/yield rates											
Weighted TB rate	12.9	12.9	13.4	13.4	17.2	17.0	16.9	16.8	17.1	16.5	17.4
91-day	11.5	11.0	12.1	12.7	13.8	13.9	14.3	14.0	14.3	13.8	13.6
182-day	12.7	12.7	13.0	13.6	15.6	15.9	16.1	15.9	16.6	15.6	15.4
273-day	13.1	11.9	13.6	13.9	16.3	17.3	17.5	17.2	16.7	16.0	16.4
364-day	13.4	13.8	13.8	14.9	18.4	18.2	18.4	18.2	18.4	17.9	18.6
Government bonds: Yield Rates											
Weighted Bond Yield Rate	15.6	15.1	15.7	17.2	16.7	16.9	16.7	16.4	19.5	18.5	18.7
24 months	14.4	15.2	14.3	14.9	16.6	17.1	17.5	17.3	18.8	17.9	18.5
3 year	15.5	15.1	15.6	15.6	16.2	16.9	18.4	18.4	19.0	18.6	18.4
5 year	15.7	16.0	16.4	16.5	18.2	19.0	19.5	19.5	20.0	19.0	19.0
7 year	17.8	17.2	17.3	17.2	17.3	17.3	17.3	17.3	17.2	17.2	17.2
10 year	19.1	18.6	18.4	18.2	18.4	18.4	18.4	18.4	18.2	18.2	18.2
15 year	20.0	19.4	19.3	19.2	19.3	19.3	19.3	19.3	19.2	19.2	19.2
Real Interest and Yield Rates (%)											
Commercial Banks' rates											
Commercial banks' weighted lending rate	9.4	8.4	6.4	5.9	4.0	4.9	6.9	7.8	6.5	7.0	8.0
Average savings rate	(4.0)	(4.7)	(7.3)	9.4	-11.8	-11.2	-9.2	-8.3	-9.5	-9.9	-9.6
Deposit rate (30 days, over K20 million)	(4.0)	(4.0)	(7.0)	-9.1	-11.5	-10.9	-8.9	-8.0	-9.2	-9.3	-8.8
Treasury bill/yield rates											
Weighted TB rate	4.0	3.1	1.3	-0.8	0.2	1.0	4.7	5.3	2.8	1.8	3.0
91-day	2.6	1.2	0	-1.5	-2.7	-2.1	3.5	4.2	0.0	-0.9	-0.8
182-day	3.8	2.9	0.9	-0.6	-0.8	-0.1	4.4	5.3	0.3	0.9	1.0
273-day	4.2	2.1	1.5	-0.3	-0.5	1.3	5.5	6.4	2.4	1.3	2.0
364-day	4.5	4	1.7	0.7	1.8	2.2	3.3	4.2	4.1	3.2	4.2
Government bonds: Yield Rates											
Weighted Bond rate	6.7	5.3	3.6	3.0	0.1	2.9	4.7	5.3	5.2	3.8	4.3
24 months	5.5	5.4	2.2	0.7	0.0	1.1	3.5	4.2	4.5	3.2	4.1
3 year	6.6	5.3	3.5	1.4	-0.4	0.9	4.4	5.3	4.7	3.9	4.0
5 year	6.8	6.2	4.3	2.3	2.4	3.0	5.5	6.4	5.7	4.3	4.6
7 year	8.9	7.4	5.2	3.0	0.7	1.3	3.3	4.2	2.9	2.5	2.8
10 year	10.2	8.8	6.3	4.0	1.8	2.4	4.4	5.3	3.9	3.5	3.8
15 year	11.1	9.6	7.2	5.0	2.7	3.3	5.3	6.2	4.9	4.5	4.8
Exchange rates (average K/US \$)											
Commercial banks' weighted selling rate	3,815.77	3,881.11	3,253.84	3,549.82	4,884.00	4,979.60	5,409.11	5,568.40	5,661.80	5,191.49	5,078.50
Bank of Zambia mid-rate***	3,816.88	3,868.91	3,249.70	3,539.85	4,832.26	5,017.32	5,421.79	5,562.71	5,631.55	5,105.88	5,066.9
Real sector											
Mining output (tonnes)											
Copper	49,251.10	43,892.30	43,540.50	42,302.30	48,274.90	58,727.80	52,173.70	48,412.10	62,182.60	59,524.50	64,910.1
Cobalt	396.3	429.00	383.9	372.4	291.6	250.70	134.40	118.60	393.70	215.80	218.1
Mined Earnings (US \$m)											
Copper	200.8	341.0	334.9	291.2	201.8	176.2	168.5	175.7	208.3	242.1	247.1
Cobalt	26.8	37.0	24.4	13.7	8.1	5.2	2.5	3	6.7	5.4	5.9
Total	317.6	378	359.3	304.9	209.9	181.4	171.0	178.7	215	247.5	253
External sector (US \$m)											
Trade Balance	28.7	112.6	33.0	-198.1	-7.6	-42.1	-23.2	-28.0	-15.0	40.8	5.4
Exports, c.i.f.	390.0	569.4	498.4	333.0	256.5	228.4	216.3	227.1	261.6	310.5	308.6
Imports, c.i.f.	(361.3)	(334.0)	(467.6)	(536.0)	(264.1)	(270.5)	(239.6)	(255)	(276.5)	(351.3)	(313.9)
Gross Official Reserves (US \$m)	1,080.2	1,088.0	1,388.6	1,267.8	1,085.0	1,048.3	934.5	973.9	921.9	1,107.8	1,146.2

Source: Bank of Zambia Statistics Fortnightly

* Reserve money is currency by demand.

** Estimated figures for the month under review

*** Based on BoZ average mid-exchange rate

- Not available.

APPENDIX II: THE POVERTY REDUCTION AND GROWTH FACILITY (PRGF) ARRANGEMENT

During the first half of 2009, an International Monetary Fund (IMF) Mission visited Zambia from 18th February to 4th March 2009 to discuss with the Zambian Authorities the First and Second Review of the Poverty Reduction and Growth Facility (PRGF) arrangement approved in June 2008. The mission reached an agreement with the Zambian Authorities on the 2009 Macroeconomic framework and structural measures to complement the macroeconomic framework. The structural program continued to focus on improving public financial management, advancing financial sector development and implementing policies to ensure reliable electricity supply.

The IMF completed the first and second reviews under the PRGF arrangement and the Executive Board approved US \$160.1 million (SDR 106.91 million) disbursement. The board further approved US \$256.4 million (an equivalent of SDR 171.185 million) increase in financial support to help Zambia cope with the global economic meltdown. A total amount of US \$162.2 million was disbursed in the period under review.

During the period under review, the IMF Executive Board also made some changes to the IMF's lending policies including, changes which relate to the structural conditionality which mainly apply to low income countries accessing the PRGF. The IMF resolved that in line with streamlining the structural conditionality, with effect from 1st May 2009, progress on structural reforms would be assessed through program reviews rather than against the attainment of structural performance criteria, which were eliminated. Two structural performance criteria (on the preparation of a strategy for the establishment of a single treasury account by end-June 2009 and on raising the electricity tariff by end-June 2009) were thus converted into structural benchmarks. In addition, two structural benchmarks (on transferring the supervision of NAPSA and on cabinet approval of a new grid code) were removed.

With regard to donor inflows, Zambia received a total of US \$ 90.8 million from the United Kingdom, Netherlands, Norway, and the African Development Bank as Poverty Reduction Budget Support (PRBS) during the first half of 2009 compared to receipts of US \$75.8 million in the first half of 2008. Out of the total disbursement of US \$ 90.8 million, US \$79.5 million was disbursed in the first quarter and the balance in the second quarter. A total of US \$105.5 million was programmed for the 2nd quarter. About US \$20.1 million PRBS was expected from DFID, US \$6.0 million from Finland, US \$41.1 million from the European Union, US \$18.3 million from Sweden and US \$19.2 million from the African Development Bank. A further US \$11.6 million sector budget support funds from the European Union, budgeted for 2nd quarter was not disbursed. The PRBS disbursement schedule has been revised and funds not disbursed in the second quarter are now expected to be disbursed in the 3rd quarter of 2009. On the other hand, debt service made to various creditors, excluding IMF debt service, amounted to US \$8.7 million compared with US \$10.0 million paid in the first half of 2008.

With regard to performance against the indicative quantitative benchmarks, preliminary data indicate that all the quantitative benchmarks were observed and that the structural benchmarks were generally on track. The average Net Domestic Assets (NDA) was K25.6 billion below the end-June programme ceiling of minus K907.4 billion largely due to a reduction in the average reserve money following net OMO withdrawals and Government revenue inflows while the Net Domestic Financing (NDF) was K373.9 billion below the end-June programme ceiling of K5,882.6 billion. The Unencumbered International Reserves were US \$1.9 million above the end-June programme floor of US \$989.7 million, largely on account of receipt of the PRBS amounting to US \$11.3 million from the African Development Bank, PRGF disbursement amounting to US \$162.2 million and Bank of Zambia purchases of foreign exchange amounting to US \$2.0 million from the market.

The macroeconomic framework for 2008-2011 is set within the framework of the Fifth National Development Plan (FNDP), which is focused on boosting economic growth and reducing poverty levels and takes into account the World financial and economic developments. The broad macroeconomic objectives for 2009 include: (i) attaining real GDP growth of at least 4.5% (revised from 5.0%); (ii) achieving end-year inflation of no more than 10.0%; (iii) limiting domestic financing to 1.9% of GDP; and (iv) increasing gross international reserves to not less than 3.1 months of import cover (see Appendix II, Table 1).

Appendix III: Statistical Tables and Charts

Table 1: Trade Data in US \$ million (c.i.f), June 2007 June 2009

	June-Dec, 2007	Jan-Jun, 2008	Jun-Dec, 2008	Jan-Jun 2009*
Trade Balance				58.5
Exports, c.i.f	205.5	407.1	-535.8	1,728.8
Metals	2,476.00	2,783.70	2,147.9	1,380.5
Copper	2,032.40	2,363.30	1,640.6	1,349.2
Cobalt	1,886.30	2,161.50	1,526.0	31.3
Non Metals	146	201.8	114.7	348.3
Export Audit Adjustment	443.7	420.4	507.3	-13.2
Total	-45.5	-13.2	-13.2	-13.2
Copper Wire	489.2	433.5	520.4	361.5
Cane Sugar	105.1	86.8	76.7	37.2
Burley Tobacco	46.1	15.8	44.8	36.2
Cotton Lint	33.8	26	48.6	41.5
Electric Cables	22.6	12.8	22.6	15.1
Fresh Flowers	77.4	35.2	21.1	25.4
Cotton Yarn	19.2	12.7	10.9	11.5
Fresh Fruit/Vegetables	4.8	6.6	0.9	0.1
Gemstones	12	14.8	12.2	7.4
Gas oil	11.6	6.9	25.5	13.5
Electricity	9	16.1	9.8	15.2
Others	2.3	1.4	1.9	5.6
Of Which	145.2	198.3	245.4	220.3
Maize & Maize Seed	29.1	40	11.4	6.3
Wheat & Insulin	12.9	17.7	15.5	9.9
Cement & Lime	6.5	11.6	22.1	23.4
Imports c.i.f./1	-2,271.0	-2,376.60	-2,683.7	-1,986.7

Source: Bank of Zambia

*Figures for July Dec 2009 are preliminary.

Table 2: Imports by Commodity Groups in US \$ millions (CIF); Jan 2007 - Dec 2008

Description	2007			2008*		
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun*	% Change
Food Items	84.3	127.0	132.4	162.3	117.3	(27.7)
Petroleum Products	223.0	267.7	287.4	528.2	291.6	(44.8)
Fertilizers	58.2	90.9	68.0	136.1	84.8	(37.7)
Chemicals	208.6	259.3	292.1	351.3	267.2	(23.9)
Plastic and Rubber Products	9.0	114.9	102.5	110.2	76.6	(30.5)
Paper and Paper Products	28.2	38.7	42.7	55.5	41.2	(25.8)
Iron and Steel	134.7	208.0	159.2	169.6	81.8	(51.8)
Industrial Boilers & Equipment	396.0	551.7	436.6	403.5	254.1	(37.0)
Electrical Machinery & Equipment	151.3	220.2	170.1	151.6	98.0	(35.3)
Vehicles	167.2	229.4	264.1	228.8	139.4	(39.1)
Other Imports	198.6	187.3	421.7	386.5	199.7	(48.3)
Total Imports	1,741.2	2,315.0	2,376.7	2,683.7	1,651.8	(38.4)

Source: Central Statistical Office, The Monthly

*Figures are preliminary.

Table 3: Metal Production, Export Volumes, Values and Prices; Jan 2007 - June 2009

Period	Copper					Cobalt				
	Sales	Production	Sales	Price	Price	Sales	Production	Sales	Price	Price
	Tonnes	Tonnes	US \$'000	US\$/Tonne	US\$/ pound	Tonnes	Tonnes	US \$ '000	US\$/Tonne	US\$/ pound
Jan-June 2007	229,547	239,839	1,520,214	6,622.67	3.00	2,348	2,393	64,307	27,392.71	12.43
Quarter 3, 2007	137,869	141,068	1,027,927	7,455.80	3.38	1,422	1,444	66,922	47,031.79	21.33
Quarter 4, 2007	123,524	141,077	858,395	6,949.22	3.15	1,248	1,253	79,121	63,398.43	28.76
Jul - Dec 2007	261,393	282,145	1,886,322	7,216.41	3.27	2,671	2,697	146,043	54,679.25	24.80
Quarter 1, 2008	140,768	138,922	1,035,481	7,355.94	3.34	1,172.34	1,144.49	111,685.44	95,267.14	43.21
Quarter 2, 2008	143,481	149,135	1,126,087	7,848.37	3.56	1,080	1,086	90,129	83,448	37.85
Jan-June 2008	284,249	288,057	2,161,568	7,604.50	3.45	2,253	2,230	201,814	89,599.65	40.64
Quarter 3, 2008	127,284	141,734	856,224	6,726.87	3.05	1,236	1,296	69,418	56,187.00	25.49
Quarter 4, 2008	175,592	182,149	669,670	3,813.79	1.73	1,123	1,090	45,309	40,362.16	18.31
Jul-Dec 2008	302,876	323,883	1,525,895	5,038.01	2.29	2,358	2,386.31	114,728	48,653.49	22.07
Quarter 1, 2009	166,148	180,117	562,903	3,387.97	1.54	1,164	1,081	12,907	11,086.57	5.03
Quarter 2, 2009	188,391	194,730	688,648.45	4,045.66	1.84	645	655	18,350	28,431.63	12.90
Jan- Jun 2009*	354,538	373,873	1,349,193	3,805.49	1.73	1,810	1,736	31,257	17,272.57	7.83

Source: Bank of Zambia Statistics Fortnightly

*Figures are preliminary.

Table 4: Sources of Reserve Money Growth

	Jan - Jun 2008		Jul - Dec 2007	
	Total (K'bn)	Contribution to Reserve Money Growth (%)	Total (K'bn)	Contribution to Reserve Money Growth (%)
1/ Net Foreign Assets (a+b+c+d)	-1,068.5	-38.9	-780.3	-24.1
a) Net Purchases from Govt	-185.0		511.5	
b) Net Purchases from non-Government	-770.7		-1,408.3	
c) Bank of Zambia own use of forex	-21.1		-0.7	
d) Change in stat. reserve deposits forex balances	-91.7		117.3	
2/ Net Domestic Credit (a+b)	1,572.5	57.1	775.6	23.9
a) Autonomous influences	15,997.2		6,994.0	
Maturing Open Market Operations	14,263.9		6,841.2	
Direct Govt Transactions	1,418.8		259.3	
TBs and Bonds Transactions	282.8		-108.2	
Claims on non-banks (Net)	31.5		1.6	
b) Discretionary influences	-14,430.0		-6,218.4	
Open Market Operations	-14,442.7		-6,233.9	
i. Short term loans	0.0		0.0	
ii. Repos/Outright TB sales	-1,100.1		-1,494.0	
iii. Term Deposits Taken	13,342.6		-4,739.9	
Treasury bill Rediscounts	7.0		14.7	
Other claims (Floats, Overdrafts)	5.7		0.7	
Change in Reserve Money	498.6		-4.7	-0.1

Source: Bank of Zambia

Table 5a: Shares of Total Loans & Advances by Sector, Dec 2007- Jun 2009

Sector	Dec-07	Jun-08	Dec-08	Jun-09
Agriculture, forestry, fishing and hunting	21.0	15.7	16.2	18.4
Mining & Quarrying	4.0	4.7	4.7	4.9
Manufacturing	10.7	10.8	10.8	11.0
Electricity, Gas, Water & Energy	4.9	2.8	2.4	2.3
Construction	3.5	3.5	4.0	2.9
Wholesale & Retail Trade	10.8	10.0	9.7	9.1
Restaurants & Hotels	1.2	1.2	3.1	1.9
Transport, Storage & Communications	7.2	7.6	7.0	7.9
Financial Services	4.2	7.1	7.9	8.1
Community, Social and Personal Services	1.6	1.6	1.3	2.2
Real Estate	2.2	3.2	4.9	7.0
Personal Loans	14.7	29.4	25.4	21.6
Others	14.0	2.5	2.6	2.9

Source: Bank of Zambia Statistics Fortnightly

Table 5b: Shares of Total Loans & Advances by Sector (Excluding Foreign Currency Loans), Dec 2007- Jun 2009

Sector	Dec 07	Jun-08	Dec-08	Jun-09
Agriculture, forestry, fishing and hunting	17.6	8.4	8.7	11.8
Mining & Quarrying	1.1	0.5	0.5	1.8
Manufacturing	8.4	7.7	10.4	11.0
Electricity, Gas, Water & Energy	2.5	2.2	0.0	0.8
Construction	4.2	3.3	3.8	3.0
Wholesale & Retail Trade	10.0	9.4	7.7	6.8
Restaurants & Hotels	1.1	0.8	4.6	1.6
Transport, Storage & Communications	8.3	6.6	7.0	8.6
Financial Services	3.7	9.4	4.3	6.5
Community, Social and Personal Services	0.7	1.0	0.4	1.8
Real Estate	2.2	4.0	6.6	8.9
Personal Loans	21.6	44.0	43.3	33.8
Others	18.6	2.8	2.7	3.5

Source: Bank of Zambia Statistics Fortnightly

Table 5c: Shares of Foreign Exchange Loans & Advances by Sector, Dec 2007- Jun 2009

Sector	Dec 07	Jun-08	Dec-08	Jun-09
Agriculture, forestry, fishing and hunting	28.1	29.5	26.6	29.5
Mining & Quarrying	10.1	12.6	10.5	10.1
Manufacturing	15.4	16.5	11.3	11.0
Electricity, Gas, Water & Energy	9.7	4.0	5.9	4.7
Construction	2.2	3.7	4.2	2.6
Wholesale & Retail Trade	12.5	11.2	12.5	12.9
Restaurants & Hotels	1.3	2.0	1.2	2.5
Transport, Storage & Communications	4.9	9.5	6.9	6.7
Financial Services	5.2	2.7	12.8	10.7
Community, Social and Personal Services	3.6	2.7	2.7	2.7
Real Estate	2.2	1.8	2.6	4.0
Personal Loans	0.3	3.8	2.9	2.6
Others	4.5	1.8	0.6	0.8

Source: Bank of Zambia Statistics Fortnightly

Table 6: Central Government Fiscal Operations, First Half 2009 (in K'billion)

	2009	Quarter 1	Quarter 2	First Half		
	Approved	Prelim.	Prelim.	Target	Prelim.	% Change
Total Revenue and Grants	13,681.2	2,620.40	2,474.6	6,870.8	5,095.0	-25.8
Tax Revenue	10,194.5	2,219.40	2,176.5	4,823.4	4,395.9	-8.9
Non-Tax Revenue	454.2	111.10	64.6	185.8	175.7	-5.4
Grants	3,032.5	289.9	233.5	1,861.6	523.4	-71.9
Total Expenditure	15,248.4	2,977.0	2,869.7	7,657.4	5,846.7	-23.6
Current Expenditure	12,272.5	2,641.8	2,524.0	6,214.8	5,165.8	-16.9
Personal Emoluments	5,056.9	1,160.0	1,270.8	2,488.9	2,430.8	-2.3
PSRP	43.0	0.0	10.0	20.0	10.0	-50.0
Use of Goods and Services	3,317.1	621.2	461.0	1,611.7	1,082.2	-32.9
Interest	1,068.5	267.0	248.3	544.6	515.3	-5.4
Grants and Other Payments	1,938.4	418.0	250.2	1,074.6	668.2	-37.8
Social Benefits	245.8	31.2	30.0	111.1	61.2	-44.9
Other Expenses	251.2	66.8	131.9	195.5	198.7	1.6
Liabilities	351.6	77.6	121.8	168.4	199.4	18.4
Assets	2,975.9	335.2	345.7	1,442.6	680.9	-52.8
Non Financial Assets	2,885.9	315.6	331.2	1,430.7	646.8	-54.8
Financial Assets	90.0	19.6	14.5	11.9	34.1	186.6
Fiscal Balance	-1,567.2	-356.6	-395.1	-786.6	-751.7	4.4
Financing	1,567.2	295.7	160.1	763.6	455.8	-40.3
Domestic	1,170.4	285.0	200.0	800.0	485.0	-39.4
Foreign	396.8	10.7	-39.9	-36.4	-29.2	-19.8

Source: Ministry of Finance and National Planning

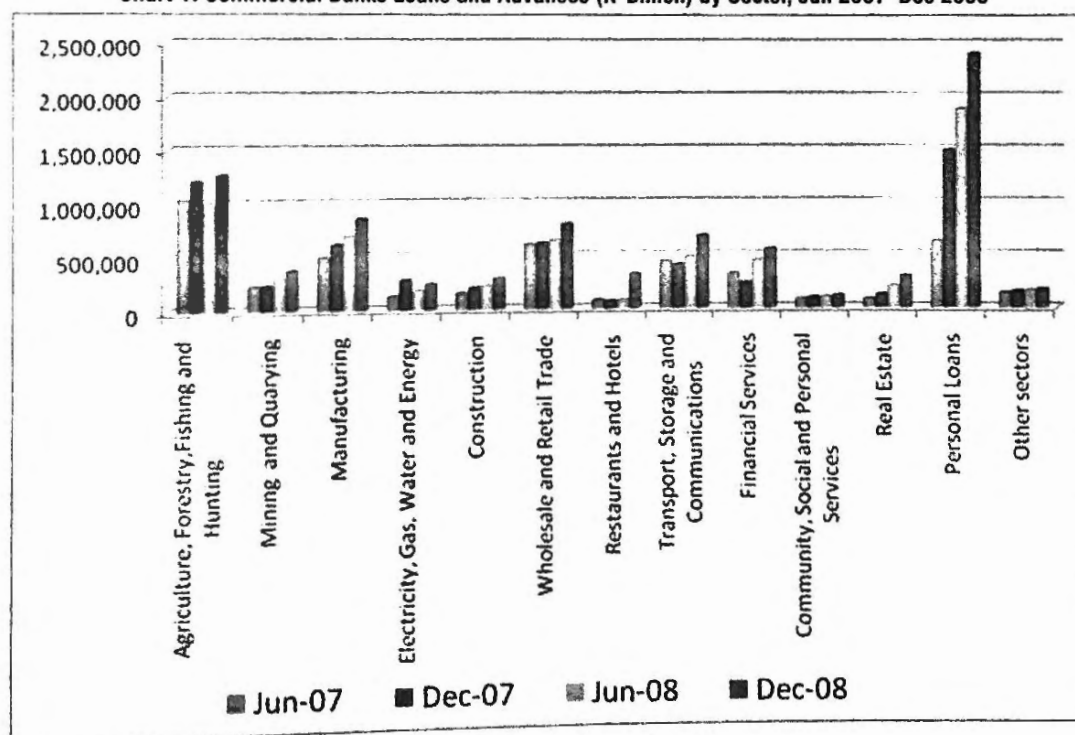
Table 7: Indicators of Bidding Behaviour in the Government Securities Market¹

	Average Amts Offered (K blns)		Average Bid Amts (K blns)		Average Excess Demand (K blns) ²		Average Subscription Rate (%) ³	
	Jul - Dec, 08	Jan - Jun, 09	Jul - Dec, 08	Jan - Jun, 09	Jan - Jun, 08	Jan - Jun, 09	Jan - Jun, 08	Jan - Jun, 09
91-day bills	17.9	21.0	10.9	19.3	-6.9	-1.7	61.3	-8.3
182-day bills	19.8	18.4	10.2	14.3	-9.6	-4.1	51.5	-22.3
273-day bills	16.8	14.8	9.2	12.7	-7.7	-2.1	54.4	-14.3
364-day bills	45.4	45.8	30.6	61.1	-14.8	15.3	67.4	33.3
TOTAL	100.0	100.0	60.9	107.3	-39.0	7.3	60.9	7.3
2-year bond	24.0	26.7	9.4	17.8	-14.6	-8.9	39.2	-33.3
3-year bond	31.0	33.3	6.0	16.2	-25.0	-17.1	19.4	-51.3
5-year bond	40.0	41.7	23.1	29.8	-16.9	-11.8	57.8	-28.4
7-year bond	9.0	6.7	10.7	0.4	1.7	-6.3	118.9	-94.6
10-year bond	9.0	6.6	0.9	-	-8.1	-6.7	10.0	-100.0
15-year bond	7.0	5.0	6.9	0.0	-0.1	-5.0	98.6	-99.5
TOTAL	120.0	120.0	195.6	64.2	79.4	-63.0	288.9	-46.5

Source: Bank of Zambia Statistics Fortnightly

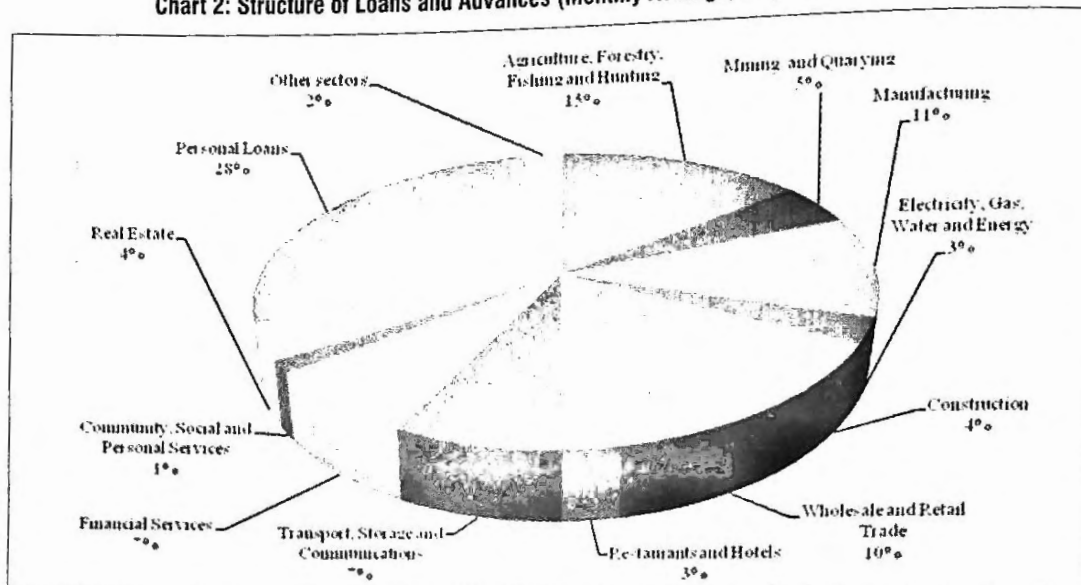
¹ Treasury bills are offered weekly while Government bonds are offered monthly² Average Excess Demand = Average Amounts Bid less Average Amounts Offered, (-ve = shortfall, +ve = excess)³ Average Subscription Rate = Average bid amounts as percentage of average amount offered

Chart 1: Commercial Banks Loans and Advances (K' Billion) by Sector, Jun 2007 Dec 2008



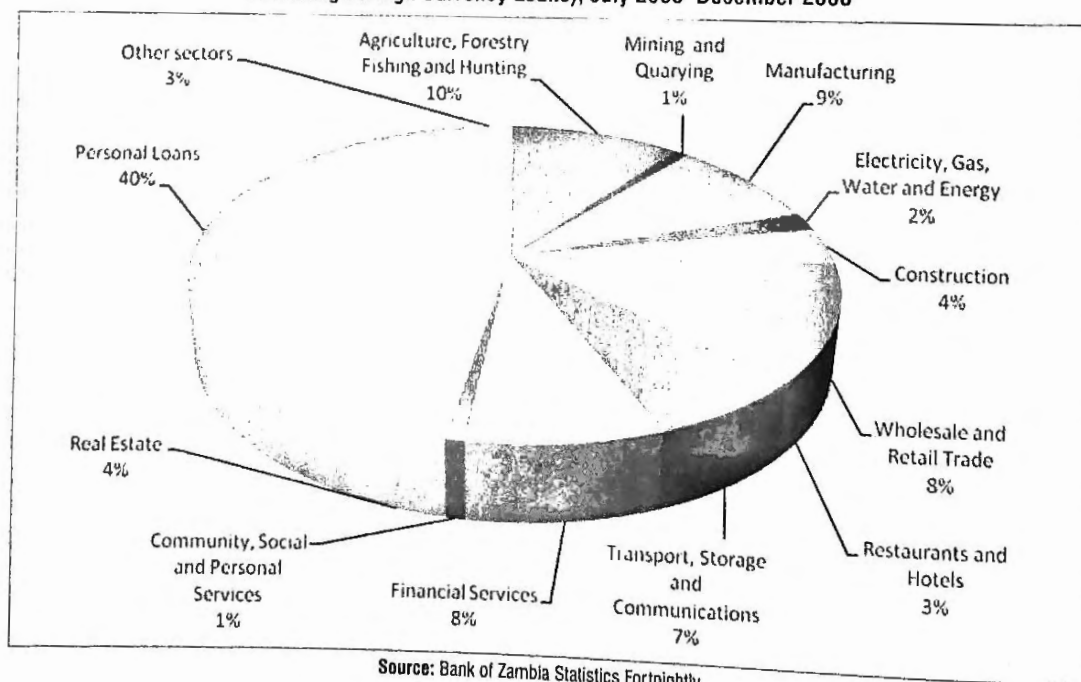
Source: Bank of Zambia Statistics Fortnightly

Chart 2: Structure of Loans and Advances (Monthly Average, July 2008 - December 2008)



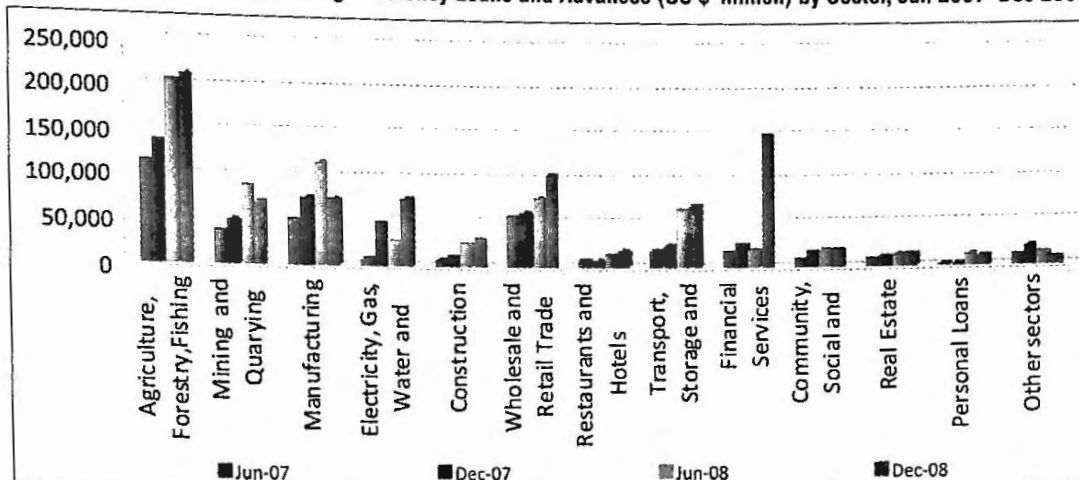
Source: Bank of Zambia Statistics Fortnightly

Chart 3: Structure of Loans and Advances (Monthly Average) Excluding Foreign Currency Loans, July 2008 - December 2008



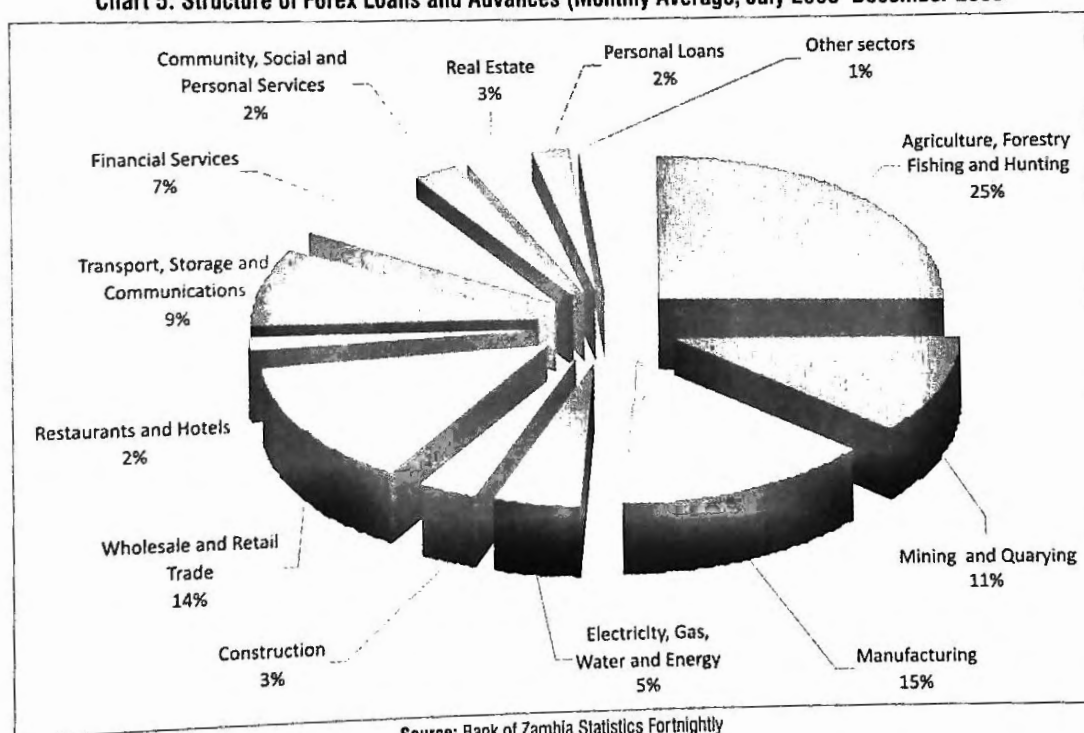
Source: Bank of Zambia Statistics Fortnightly

Chart 4: Commercial Banks Foreign Currency Loans and Advances (US \$' Million) by Sector, Jun 2007 Dec 2008



Source: Bank of Zambia Statistics Fortnightly

Chart 5: Structure of Forex Loans and Advances (Monthly Average, July 2008 December 2008)



Source: Bank of Zambia Statistics Fortnightly

APPENDIX IV: COMPOSITION OF THE MONETARY POLICY ADVISORY COMMITTEE (MPAC)

1. Dr Caleb M. Fundanga	Governor
2. Dr Denny H. Kalyakya	Deputy Governor-Operations
3. Dr Tukiya Kankasa-Mabula	Deputy Governor-Administration
4. Mr Likolo Ndalamei	Secretary to the Treasury
5. Ms Justina Wake	Member
6. Ms Beatrice Nkanza	Member
7. Mr Dale Mudenda	Member, University of Zambia
8. Prof. John Lungu	Member, Copperbelt University
9. Mr Romance C. Sampa	Member
10. Dr. Anthony Mwanaumo	Member

GAZETTE NOTICE No. 597 OF 2009

The Engineers' Registration Board of Zambia

[0640204]

Register of Engineers

THE Engineers' Registration Board has approved the following persons for registration as engineers and they have been issued with Certificates and Practicing licenses. The Practicing Licenses are valid up to 31st December, 2009. These Engineers did not appear in the Gazette notice of Friday, 24th April, 2009.

A registered Engineer is entitled to use the Title 'Registered Engineer' or the abbreviation 'Eng' before his/her name or 'REng' after his/her name. In terms of the Engineering Institution of Zambia Act No. 27 of 1992, no person is allowed to practice engineering in Zambia without a valid Practicing License. To this effect, those Engineers who have not yet renewed their licenses for 2009 should take this as an official final reminder to avoid any inconvenience.

NOTE: DESCRIPTION OF FIELDS

- AE — Agriculture Engineering
- CE — Civil Engineering (Environmental, Roads, Structural, Water and Sanitation)
- CHE — Chemical Engineering
- EE — Electrical/Electronic Engineering (Telecommunications, Control and Instrumentation, Computers and Information Technology)
- GG — Geology/Hydrology
- LS — Land Surveying
- ME — Mechanical Engineering (Aeronautical, Aircraft, Automobile, Mechanical, Production)
- MED.E — Medical Engineering
- MT — Metallurgical Engineering
- MG — Mining Engineering
- PM — Production Management

No.	ERB No.	Name	Field
1.	002652	Mwanza Alick	AE
2.	002589	Mwiinga C Pherry	AE
3.	002524	Nkhoma K Innocent	AE
4.	003143	Aibao Dong	CE
5.	000092	Alavian R Susan	CE
6.	000083	Alavian Vahdat	CE
7.	000089	Alavian Vedad	CE
8.	003111	Bambi D Musangu	CE
9.	000244	Banda N Ian	CE
10.	001566	Bhattacharya Debasish	CE
11.	003194	Bo Liu	CE
12.	003235	Bwembya M Martin	CE
13.	003239	Chama Webby	CE
14.	003159	Chansa Francis	CE
15.	002506	Chikopela G Alphonsus	CE
16.	001462	Chimba K Daniel	CE
17.	000236	Ching'ambo M Peter	CE
18.	001602	Chinsen Dat	CE
19.	003222	Chirwa K Owen	CE
20.	003204	Chuansheng Ma	CE
21.	002309	Chulu Enos	CE
22.	002498	Collins B TheOdoRe	CE
23.	003130	Collins J Isaac	CE
24.	003147	Dafa Yu	CE
25.	003207	Dafang Wang	CE

No.	ERB No.	Name	Field
26.	003078	Desheng Bao	CE
27.	001832	Dey Debasish	CE
28.	003187	Fernandes S Marc	CE
29.	003075	Gang Wu	CE
30.	003137	Gang Zheng	CE
31.	003084	Guanghai Chao	CE
32.	003205	Guoqing Li	CE
33.	003104	Guorong Zhou	CE
34.	003200	Guoxi Kang	CE
35.	003082	Haijing Li	CE
36.	000824	Hamed Javaheri	CE
37.	000101	Hampande M Cornwell	CE
38.	003151	Himululi M Joseph	CE
39.	003198	Hongfei Li	CE
40.	003083	Huaguo You	CE
41.	003158	Jiaoming Cai	CE
42.	003087	Jinbo Luo	CE
43.	003202	Jun Zhang	CE
44.	003209	Juntao Dong	CE
45.	003201	Junyong Liu	CE
46.	001525	Kachasa Noliias	CE
47.	000055	Kaluwa L Jowitt	CE
48.	001202	Kanda Armstrong	CE
49.	003214	Kanyimbo Mary	CE
50.	001235	Kaoma C Charles	CE
51.	002289	Kapoya Dennis	CE
52.	001389	Karabassis C Andrew	CE
53.	003097	Khosa Moses	CE
54.	000954	Kyobe K Daniel	CE
55.	003208	Lijie Wang	CE
56.	003077	Lixin Sun	CE
57.	000021	Lubambo Peter	CE
58.	003193	Lupali Boniface	CE
59.	001858	Lupambo M Abel	CE
60.	000929	Lusambo Edward	CE
61.	003164	Malumo Sebastian	CE
62.	003232	Manangi K Abel	CE
63.	000559	Manelele Inambao	CE
64.	003216	Mashumba Peter	CE
65.	000849	Matafu Gaudencia	CE
66.	002293	Milandu Chimuka	CE
67.	000058	Miller T Ian	CE
68.	000308	Mondoloka C Luambe	CE
69.	000359	Mooya Mweemba	CE
70.	000984	Mtonga U Henry	CE
71.	000634	Mulala Andrew	CE
72.	003220	Mulenga C Mulenga	CE
73.	002473	Mulenga Clement	CE
74.	002624	Mulenga Z Chibesa	CE
75.	002114	Mulusa K William	CE
76.	000980	Mumba Kanyuka	CE
77.	003133	Mumbi S Kelvin	CE
78.	003112	Mupfunya Alice	CE
79.	003113	Mupfunya T Campion	CE
80.	003211	Mushabati Mweembe	CE
81.	001699	Musonda K Tresphor	CE
82.	002455	Musonda William	CE
83.	003219	Mutti M Shamba	CE
84.	000676	Mwaba K Athanasius	CE
85.	002065	Mwanangombi K Clifford	CE
86.	002220	Mwanza D Aaron	CE
87.	001585	Nalishiwa S Martin	CE
88.	001837	Nenhanga Fungayi	CE

No.	ERB No.	Name	Field	No.	ERB No.	Name	Field
89.	003234	Ngoma Duncan	CE	162.	000808	Harawa Russell	EE
90.	002403	Ngwesso Pandawe	CE	163.	003134	Ilubala Kopano	EE
91.	000189	Nkhata Moses	CE	164.	003114	Kanjelesa Fred	EE
92.	001921	Nthele F Joseph	CE	165.	003233	Katayi Douglas	EE
93.	001707	Panganayi Fredy	CE	166.	001662	Kateka Brighton	EE
94.	003223	Patel Jayan	CE	167.	000681	Katepa John	EE
95.	003231	Phiri B Nicholas	CE	168.	003229	Kayembe Satanley	EE
96.	002131	Phiri Mathew	CE	169.	003144	Lungu Wasuzika	EE
97.	003152	Reeve W Roger	CE	170.	003165	Malekani Maxwell	EE
98.	001007	Renping Yu	CE	171.	003128	Manza Pearson	EE
99.	000572	Ruremesha E Nemrod	CE	172.	003236	Mate Samuel	EE
100.	003146	Sattar Abdus	CE	173.	000540	Mboma M Charles	EE
101.	002560	Sichalwe Clarence	CE	174.	003183	Mbulu C Potpher	EE
102.	001326	Sikana Frank	CE	175.	003153	Mhango Derrick	EE
103.	000763	Sikana Whiteson	CE	176.	000707	Milambo Willard	EE
104.	003237	Silembo M Oscar	CE	177.	000324	Monga M Alvin	EE
105.	001850	Simate Nyambe	CE	178.	003101	Mseteka Z Gordon	EE
106.	003213	Simumba S Mbezuma	CE	179.	003192	Mubanga Bright	EE
107.	003122	Suthar P Jayendrakumar	CE	180.	003139	Mubanga Moses	EE
108.	003215	Szatkowski Andrew	CE	181.	001078	Mukolo N Levy	EE
109.	003070	Tembo Moses	CE	182.	003135	Mulapani W Hilner	EE
110.	000669	Wamulume W Joseph	CE	183.	002423	Mulenga Simwinga	EE
111.	003228	Witane T Rajah	CE	184.	001165	Mulwanda O Kenneth	EE
112.	001594	Witika Mommie	CE	185.	003177	Mulyata C Shadreck	EE
113.	003161	Xiaobing Lin	CE	186.	003190	Munungwe K Reuben	EE
114.	003162	Xiaofeng Luo	CE	187.	003100	Musunga W Chimba	EE
115.	003150	Xiaoliu Chen	CE	188.	003132	Muteto S Kenneth	EE
116.	003136	Xingchao Yao	CE	189.	003131	Muwina M Lillian	EE
117.	003197	Xunlai Gong	CE	190.	003141	Mwale Ackson	EE
118.	003090	Yang Hu	CE	191.	003189	Mwale Yelesani	EE
119.	003174	Yaoqing Zhao	CE	192.	003185	Mwamba M Memory	EE
120.	003206	Yi Zhou	CE	193.	001815	Mwange Bernard	EE
121.	003178	Yong Du	CE	194.	002175	Mwanza Jason	EE
122.	003160	Yong Zhang	CE	195.	003226	Ngambi Wane	EE
123.	003180	Yufei Tang	CE	196.	003125	Ngunja Pharaoh	EE
124.	003148	Yunyi Zhao	CE	197.	002488	Nkaka Bright	EE
125.	003156	Zhengfan Zhou	CE	198.	001543	Nkumbwa George	EE
126.	003179	Zhihui Wang	CE	199.	003230	Nyirenda R Thomas	EE
127.	002562	Zivanovic Dejan	CE	200.	003175	Peng Zhao	EE
128.	001839	Zulu C Davies	CE	201.	003170	Ratanjibhai P Master	EE
129.	001499	Zulu Rodgers	CE	202.	002618	Sakala A Njonjo	EE
130.	003238	Cheelo C Himba	CHE	203.	003074	Sakala Zingani	EE
131.	002362	Chibanda P Aston	CHE	204.	003138	Sakuwaha Elias	EE
132.	001531	Chikoti Darley	CHE	205.	000069	Sibanda D Reginald	EE
133.	003118	Katebe Reuben	CHE	206.	001088	Sichinga Dias	EE
134.	003224	Kauti Mweshi	CHE	207.	003073	Sikasote C Aaron	EE
135.	002290	Musumali Happy	CHE	208.	002076	Sikazwe S Luka	EE
136.	003072	Mwaanga Moses	CHE	209.	003186	Sikwese John	EE
137.	003086	Mwewa C Bright	CHE	210.	000398	Simbao N Kapembwa	EE
138.	003167	Nampungwe Carol	CHE	211.	002566	Simbeye W Webby	EE
139.	002480	Zama M Freddy	CHE	212.	003191	Simpungwe Moses	EE
140.	003168	Alagumurugan Durairaj	EE	213.	001657	Simwanza Kelvin	EE
141.	000551	Bal K Ahluwalia	EE	214.	003062	Sinkamba Thomas	EE
142.	002513	Banda E Dani	EE	215.	003110	Sinyinza Arnold	EE
143.	003225	Banda Saviour	EE	216.	001805	Sipula Abraham	EE
144.	003066	Bwalya K Kennedy	EE	217.	000844	Smith H William	EE
145.	003173	Bwalya M Stephen	EE	218.	000500	Tembo T Timothy	EE
146.	003092	Camat N Diomedes	EE	219.	003203	Xiacheng Hou	EE
147.	003195	Chamfya Peter	EE	220.	003129	Xiaowen Deng	EE
148.	003098	Chanda C Wilbroad	EE	221.	003199	Zhijun He	EE
149.	003121	Chanda Michael	EE	222.	003108	Bakaya Tej	GG
150.	002529	Chapu S George	EE	223.	002690	Banda Wiscort	GG
151.	003182	Chavula Abel	EE	224.	003107	Chikwanda Ernest	GG
152.	003051	Chibwe Philson	EE	225.	003123	Clynick B Geoffrey	GG
153.	003142	Chifwaila Felix	EE	226.	001158	Guangcheng Zhuo	GG
154.	003184	Chileshe Saviour	EE	227.	001159	Guichun Gao	GG
155.	003079	Chilongo M Joseph	EE	228.	003120	Gupta Sudhir	GG
156.	000522	Chupa Paul	EE	229.	003127	Hatuma Trust	GG
157.	003140	Daka Masoka	EE	230.	003080	Mubita Davy	GG
158.	003155	Dexi Pan	EE	231.	003106	Mweete Dominic	GG
159.	003085	Gondwe B Hastings	EE	232.	003119	Sharma K Indresh	GG
160.	001950	Govender Deenadayalan	EE	233.	002551	Simumba M Vincent	GG
161.	003081	Guangxuan Du	EE	234.	003103	Sudhakar Repala	GG

No.	ERB No.	Name	Field
235.	003076	Xiangyang Liu	GG
236.	003157	Hui Peng	LS
237.	003088	Lizhong Jin	LS
238.	003116	Maimbolwa Ailola	LS
239.	003091	Mainza Clergyman	LS
240.	001343	Mulenga Nicholas	LS
241.	002262	Mumba Wallace	LS
242.	003089	Pingan Zhang	LS
243.	002048	Sindikila Noah	LS
244.	000957	Zulu L Thomas	LS
245.	000976	Chalwe Rodrick	ME
246.	001445	Chama John	ME
247.	001764	Chanda George	ME
248.	002508	Chanda Kangwa	ME
249.	001161	Changlin Fang	ME
250.	003196	Chaponda David	ME
251.	002630	Chima B Denis	ME
252.	000887	Chipalo K Joe	ME
253.	002152	Chipili Davies	ME
254.	002555	Chipulu Emmanuel	ME
255.	003218	Chirwa Ackim	ME
256.	003096	Chisale Paul	ME
257.	001391	Chishala E Jerry	ME
258.	001775	Chishimba Bodwin	ME
259.	002544	Chitambala Howard	ME
260.	001418	Chulu Luka	ME
261.	000076	Filika J Nelson	ME
262.	003068	Fyabupi Mwafulilwa	ME
263.	002487	Gimena B Julius	ME
264.	001317	Gopalakrishnan Murugiah	ME
265.	003212	Hodgson G Anthony	ME
266.	003217	Hongliang Wang	ME
267.	003063	Jansen F Barney	ME
268.	003105	Jianhua Chen	ME
269.	000297	Kamwendo D Thomas	ME
270.	003115	Kapambwe C Freddie	ME
271.	003188	Kateketa Raphael	ME
272.	003145	Kombe K Paul	ME
273.	001774	Kombe M Maybin	ME
274.	003210	Kumwenda Samuel	ME
275.	000603	Lumbwe Watson	ME
276.	003102	Lungu P Brian	ME
277.	003095	Luwisha M Daniel	ME
278.	001333	Makanda R Jailani	ME
279.	000793	Makukula Christopher	ME
280.	002263	Malama Terence	ME
281.	001347	Matamwandi M Sydney	ME
282.	000691	Michalakos George	ME
283.	003094	Mukololo Goodfellow	ME
284.	002007	Mulapa F Stembridge	ME
285.	001482	Mulenga K Robin	ME
286.	001795	Muleya F Festus	ME
287.	001553	Mumba I Kalokoni	ME
288.	001739	Musomba Witico	ME
289.	002268	Muyangana Kenny	ME
290.	000077	Muzelenga M Largeman	ME
291.	001749	Mwafulirwa Boston	ME
292.	001893	Mwale J Benson	ME
293.	003171	Mwansa Rocky	ME
294.	000667	Mwanza S Moffat	ME
295.	000475	Mweemba K Mascot	ME
296.	000168	Mwila Fred	ME
297.	003099	Ndhlema Kondwani	ME

No.	ERB No.	Name	Field
298.	000350	Nkhungulu Mabvuto	ME
299.	002719	Nsanje Hudson	ME
300.	001866	Nyirenda Kabimba	ME
301.	000758	Nyirenda L Patrick	ME
302.	000315	Nyondo Wezi	ME
303.	001070	Phiri J Daniel	ME
304.	000742	Phiri Paul	ME
305.	003117	Phiri Sylvester	ME
306.	001971	Rao M Dunga	ME
307.	003169	Ravichandran Kuppusamy	ME
308.	003172	Siame Wankumbu	ME
309.	002415	Simukoko Danny	ME
310.	003109	Sinkala W Samuel	ME
311.	001305	Slobodan Vlasojic	ME
312.	003093	Tano O Reynaldo	ME
313.	003124	Vicete V Padronia	ME
314.	003154	Yihua Mo	ME
315.	003149	Yuze Zhang	ME
316.	002522	Zitha K Kennedy	ME
317.	000140	Zulu M James	ME
318.	001994	Akapelwa S Wamundila	MG
319.	002796	Augustine Simusokwe	MG
320.	003176	Bwembya Sylvester	MG
321.	000122	Chabala Jost	MG
322.	000310	Chilambe Moses	MG
323.	001978	Davey H Michael	MG
324.	003163	Kamanga Thomas	MG
325.	003227	Litana M Bertha	MG
326.	001487	Lunshanda Dennis	MG
327.	002617	Mondoka Lazarus	MG
328.	003064	Mumba C Edgar	MG
329.	001975	Nyambe Roy	MG
330.	003067	Rajeev Bora	MG
331.	003231	Sastry B Susarla	MG
332.	003071	Singh K Prahalad	MG
333.	003181	Thomas J Simon	MG
334.	001160	Yiming Liu	MG
335.	003166	Banda Mukwenya	MT
336.	003065	Chavula H Mathew	MT
337.	001092	Chihili K Daniel	MT
338.	001091	Chileshe M Daniel	MT
339.	001709	Chishimba M Joseph	MT
340.	002479	Chongo M Crosby	MT
341.	000543	Chongo M John	MT
342.	001768	Kapambwe Chama	MT
343.	002157	Kapema J Chansa	MT
344.	000374	Katoto K Wilphred	MT
345.	001200	Manda C Wilson	MT
346.	002516	Mbao Z Bravo	MT
347.	003069	Mukomba Abraham	MT
348.	003126	Munyao Humphrey	MT
349.	002308	Raju P Pericherla	MT
350.	000355	Singh P Hira	MT
351.	002421	Soko Brighton	MT
352.	000615	Tembwe G Katongo	MT

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Engineers' Registration Board

B. Register of Engineering Firms

The Engineers' Registration Board has approved the following Firms for registration as Engineering Firms and they have been issued with Certificates and Practicing licenses. The practicing licenses are valid up to 31st December 2009. These Engineering Firms did not appear in the Gazette notice of Friday, 24th April, 2009.

A registered Engineering firm is permitted to practice engineering in Zambia and is entitled to use the Title 'Registered Engineering Firm'. In terms of the Engineering Institution of Zambia Act No. 27 of 1992, no firm is allowed to practice as an Engineering Firm or be engaged in engineering without a valid Practicing Certificate and License. To this effect, those Engineering firms who have not yet registered with the Board for their licenses for 2009 should take this as official final reminder, to avoid any inconvenience. The public is further advised to only get engineering services and products from registered Engineering firms.

No.	ERB No.	Name	Field
1.	1010214	A B Hayward (1976) Ltd	C1, CE, ME
2.	1010436	Acer Infrastructure Limited	C1, CE, ME
3.	1010443	Amiran Limited	C1, AE, CE
4.	1010408	Astec Met Limited	C1, ME, MT
5.	1010054	Batul Investments Limited	C1, ME, EE
6.	1010368	Bell Equipment Company (Zambia) Limited	B2, ME
7.	1010196	Brockman Engineering Limited	C2, CHE, CE
8.	1010435	Caissoins Limited	C1, CE
9.	1010434	Calcite Limited	C1, EE, ME
10.	1010007	Celtel Zambia Limited	A1, ME, CE, EEE
11.	1010441	Centrap Zambia Limited	C2, ME, MT
12.	1010059	Chambishi Metals Plc	A2, CE, ME, EEE, MG, CHE, MT
13.	1010417	Chamspro Limited	C3, MG
14.	1010117	China Henan International Group Co Ltd	B3, CE
15.	1010437	China Jiangsu International	C1, CE, EEE
16.	1010177	Conquest Engineering Services	C3, ME
17.	1010155	Crescent Holdings Limited	C1, EEE, ME
18.	1010307	Delio Plumbers Limited	B3, ME
19.	1010081	Demar Engineering Limited	C1, ME, CE, MG
20.	1010438	Ericsson Ab Zambia Branch	B3, EEE
21.	1010384	Fawcos Enterprises	C3, ME
22.	1010405	G and G Services Zambia Limited	C1, CE
23.	1010404	Global Construction Limited	C1, CE
24.	1010418	Gourock Ropes and Canvas (Z) Limited	C2, PM
25.	1010411	Hua Jiang Investment	B3, CE, EE, ME
26.	1010428	Hydro Electric Power Ltd	C3, CE
27.	1010429	Inett Investments Limited	C3, CE
28.	1010414	J.J. Lowe Zambia Limited	B3, CE
29.	1010234	Jecmo Engineering Limited	C2, ME
30.	1010410	Jizan Construction Company Limited	B3, CE, EEE
31.	1010430	JX International Engineering Limited	C2, CE
32.	1010243	Kauftech/Kaufman (Zambia) Limited	C1, CE, ME
33.	1010076	Kifco Packaging	C1, ME, CHE, EE
34.	1010222	Lukanga Water and Sewerage Company Ltd	B2, CE, EE, ME
35.	1010346	Lused Consulting Services	C2, AE, CE
36.	1010431	Mai Slippers Manufacturing	C3, CHE
37.	1010425	Manzi Drilling and Construction Company Ltd	C3, CE
38.	1010218	Match Corporation Ltd	C1, MT
39.	1010432	Matty Investments Limited	B3, CE
40.	1010073	Meltcast Engineering Limited	C2, ME, CE
41.	1010108	Merit Engineering Services Limited	C2, ME, CE
42.	1010133	Mesh Engineering Limited	C1, EE, ME
43.	1010406	Millers Construction Ltd	C2, CE
44.	1010183	Mirza Auto Spares Limited	C3, ME
45.	1010407	Muladel Roadworks Limited	C1, CE
46.	1010421	Nampak Zambia Limited	B3, EE, ME
47.	1010423	National Airports Corporation Limited	B3, CE, EE
48.	1010427	National Housing Authority	A1, CE, EE
49.	1010320	Nei Zambia Limited	C1, EE, ME
50.	1010146	New Century Steel Zambia Limited	C1, CE, EE, MT
51.	1010424	Nies Construction and Garden Services Limited	C3, CE
52.	1010095	Nisco Industries Limited	B3, CHE, ME, EE
53.	1010198	Non-Ferrous Metal Works (Z) Limited	C1, ME
54.	1010439	Oxyzam Limited	C3, ME
55.	1010440	Panorama Alarm and Systems Security Services	C1, EE, ME
56.	1010208	Pex Hydraulics Zambia Limited	C1, ME
57.	1010416	Plessey Zambia Limited	B2, CE, EE
58.	1010412	Polytech Plastics Limited	C2, CHE, ME
59.	1010422	Pump Logistics and Services	C2, ME
60.	1010139	Rds Business Machines Limited	C3, EE
61.	1010403	Roads And Paving Zambia Limited	C1, CE, ME
62.	1010415	Sandwe Mining and Drilling Contractors Limited	C1, MG
63.	1010401	SBX Limited	C1, CE, ME
64.	1010433	Scirocco Enterprises Limited	B2, CE
65.	1010419	Sinohydro Zambia Limited	C1, CE, ME
66.	1010400	Suthar Construction Company Limited	C3, CE
67.	1010374	Tongda Corporation Limited	C2, CE
68.	1010357	Tonlex Investments Limited	B2, CE, EE, ME
69.	1010358	Ujala Manufacturers Limited	C3, ME
70.	1010339	Weir Minerals Zambia Limited	C2, ME
71.	1010402	WRC Consultants Limited	C1, CE, HG
72.	1010420	Zamchin Limited	B3, CE, ME
73.	1010413	ZEX Auto Electrical Services Limited	C3, EE
74.	1010140	ZTE Corporation Zambia Office	B3, EEE

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Registrar,
Engineers' Registration Board