

**2012 BUDGET ADDRESS BY HON. ALEXANDER B. CHIKWANDA, MP  
HONOURABLE MINISTER OF FINANCE, DELIVERED TO THE NATIONAL  
ASSEMBLY ON FRIDAY 11TH NOVEMBER, 2011**

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1. Mr. Speaker, I beg to move that the House do now resolve into Committee of Supply on the Estimates of Revenue and Expenditure for the year 1st January 2012 to 31st December, 2012 presented to the National Assembly in November 2011.

2. Sir, I am the bearer of a message from His Excellency the President recommending favourable consideration of the motion that I now lay on the Table.

3. Mr. Speaker, as I begin this budget address, I wish to acknowledge the macro-economic achievements that the country has attained when the economy was under the stewardship of my predecessor, Hon. Dr. Situmbeko Musokotwane, MP. I would like to pay tribute to him and the previous administrations for laying a strong foundation upon which this Government will build.

4. Mr. Speaker, 2011 is a landmark year. In September, we held successful elections and had a peaceful transition of power, a rare feat on the African continent. As Zambians, we should be justly proud of this achievement. In October, we celebrated 47 years of independence, regrettably amidst persistently high and unacceptable poverty levels.

5. Sir, in his address to Parliament, His Excellency, the President outlined an ambitious programme of action to begin his administration's vigorous and unrelenting fight against poverty. As we embark on the path to transform our nation, hard work is required and difficult choices will have to be made. But, as a nation, we have collectively chosen this path. With this unity of purpose, we are confident that the challenges before us may be intractable but certainly not insurmountable. It is our

duty to ensure that the benefits of our recent economic success are felt by every Zambian. Thus, the theme of the 2012 budget is **"Making Zambia a better place for all."**

6. Sir, my speech this afternoon is in four parts. In Part I, I review the global and domestic economy. Part II outlines the macro-economic objectives, policies and strategies for the 2012 budget. In Part III, I present the 2012 budget and I conclude in Part IV.

## **PART I**

### **GLOBAL AND DOMESTIC ECONOMIC REVIEW**

#### **GLOBAL ECONOMY**

7. Mr. Speaker, in 2011, the global economy continued its recovery. Annual growth is projected at 4.0 percent slightly lower than the 5.1 percent recorded in 2010. Economic growth was strong in the emerging and developing economies, with growth in Sub-Saharan Africa of 5.2 percent in 2011. In contrast, growth in the advanced economies, at 1.6 percent, continued to be sluggish largely on account of unsustainable sovereign debts in some Euro zone countries and weak demand in the United States of America.

8. Mr. Speaker, strong growth in emerging economies and political unrest in North Africa and the Middle East have kept international commodity prices high. The average price of copper in the first ten months of 2011 was US \$8,704 per tonne, compared to US \$7,538 per tonne in 2010. The price of oil has averaged US \$109.9 per barrel in the first ten months of 2011, higher than the US \$79.0 in 2010.