

## FRIDAY BRIEF

WEEK 39, 2018

### HIGHLIGHTS

- **GOVT. reduces allocation to FISP**
- **Value Added Tax Axed**
- **WARMA extends borehole registration Deadline**

### IN DETAIL ...

#### GOVT. REDUCES ALLOCATION TO FISP

Government has reduced the allocation to the Farmer Input Support Programme (FISP) to K1.4 billion in 2019 from K1.8 billion in 2018.

This is as announced by the Minister of Finance Margaret D. Mwanakatwe during her address to Parliament on Friday 28<sup>th</sup> September 2018.

Government has also reduced monies for food reserves to the Food Reserve Agency (FRA). According to Mrs. Mwanakatwe Government has allocated K672 million to the FRA for the maintenance of the national food reserves.

In 2018, the Ministry of Finance put aside K1.1 billion to facilitate maintenance of our country's strategic food reserves of 500,000 metric tonnes.

Government intends to spend a total of K5.4 billion in the agriculture sector including fisheries and livestock in the 2019 budget.

And Honourable Mwanakatwe said about K2.1 billion has been allocated towards other agriculture, fisheries and livestock development programmes across the country.

This includes K483.2 million earmarked for the Zambia Small Ruminants Value Chain Support Project, K585.7 million for irrigation development, which will include the upscaling of small scale irrigation projects.

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Other allocations are K277.9 million for the Cashew Nut Infrastructure Development Project and K169.2 million for the Zambia Aquaculture Entrepreneurship Project.

She said these interventions would make significant in-roads towards making our diversification agenda a reality.

## VALUE ADDED TAX AXED

Minister of Finance Margaret Mwanakatwe has proposed the scrapping of Value Added Tax (VAT) effective 2019 and has called for support from Members of Parliament to repeal the law.

The Minister said in its place, Government intends to reintroduce the Sales Tax, which she said is a non-refundable tax.

Mrs. Mwanakatwe the reintroduction of the Sales Tax will enhance domestic revenue mobilisation and also minimise revenue leakages.

She said as Government implements the new tax, Government, through the Zambia Revenue Authority (ZRA) will finalise audits of all outstanding VAT refund claims and enforce all outstanding VAT assessments in order to collect any unpaid taxes.

She said Government also remains committed to settling the verified VAT refund claims that have so far been accumulated.

Mrs. Mwanakatwe presented the 2019 National Budget themed; “Delivering Fiscal Consolidation for Sustainable and Inclusive Growth” on Friday 28<sup>th</sup> September 2018.

## ... AS GOVT. UNVEILS K86.8BN NATIONAL BUDGET

And the Minister of Finance unveiled a K86.8 billion 2019 National Budget, which is 28.9% of the country’s Gross Domestic Products (GDP).

She said the 2019 Budget has been formulated against the backdrop of the austerity measures being implemented by Government to deliver fiscal consolidation.

The Minister said the 2019 Budget provides a firm foundation for the country to return to moderate debt levels, entrench overall macroeconomic stability that promotes sustained and inclusive growth.

Mrs. Mwanakatwe said the 2019 Budget proposes bold and substantial changes in revenue mobilisation and spending strategies in support of Government’s goal for fiscal consolidation.

She said the specific macroeconomic objectives for 2019 will include:

- i. Attain annual GDP growth rate of at least 4 percent;
- ii. Sustain inflation within the range of 6 to 8 percent;

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- iii. Raise international reserves to at least 3 months of import cover;
- iv. Increase domestic revenue to not less than 18 percent of GDP;
- v. Reduce the fiscal deficit to 6.5 percent of GDP;
- vi. Prioritise the dismantling of arrears and curtail accumulation; and
- vii. Reduce the pace of debt accumulation and ensure sustainability.

The 2018 national budget was K71.6 million and that for 2017 was K64.5 billion.

## **DUTY ON POWDERED MILK INCREASED TO 15%**

Minister of Finance Margaret Mwanakatwe has announced the increase on powdered milk from 5% to 15%.

The development comes after years of lobbying by the Dairy Association of Zambia (DAZ) whose argument has been that low import duty on milk powder was a major stumbling block to the growth of the local dairy sector. The Association has been saying once processed, the milk powder competes with fresh raw milk; which slows down growth and employment creation.

Mrs. Mwanakatwe in her Budget speech said the measure is intended to curtail misclassification.

DAZ has been lobbying for the increase of customs duty on powdered milk from 5% to 25%, meaning the adjustment still falls short by 10%.

## **WARMA EXTENDS BOREHOLE REGISTRATION DEADLINE**

With borehole users across the country anxious to beat the Water Resource Management Authority (WARMA) deadline of 30<sup>th</sup> September 2018 for registration of boreholes to avoid heavy penalties; the Authority has extended the close of registration date to **30<sup>th</sup> March 2019**.

The announcement was made Friday 28<sup>th</sup> September 2018 by WARMA Director General Lemmy Namayanga.





Mr. Namayanga said the extension is meant to allow the general public ample time to register their boreholes. He, however, said the extension applies only to those already having boreholes, while those intending to register and sink new boreholes are not exempted.

Mr. Namayanga urged the public to abide by the law and take advantage of the extension to register their boreholes or face a penalty fee of K30, 000.

## **ZAMBIA AGRIBUSINESS AND TRADE PROJECT CONDUCTS AWARENESS MEETINGS**

The Zambia Agribusiness Trade Project held outreach meetings meant to create awareness about the project in the selected Districts in Central, Eastern and Copperbelt Provinces.

The outreach meetings will be followed by a call for concept notes during the first and second week of October 2018.

Meanwhile, participatory scoring of the concept notes that were submitted from Southern and Lusaka Provinces also took place at Mika Convention Centre during the week. The concept notes that made the mark will now go to the next stage of full proposal.

District Farmers Associations (DFAs) are eligible to participate and therefore urged to put up concept notes when the call for concept notes is circulated.

## **ALERTS! ALERTS! ALERTS! ALERTS!**

### **TRANSFORMER SALE!!!!**

A 200 KvA transformer is up for sale.

Interested?

Kindly contact 0977752361 - SMS or WhatsApp





## BLACK SUNHEMP, VELVET BEANS & COWPEAS SALE

A client is selling 10 tonnes of Black Sunnhemp, Velvet Beans 40 tonnes and Cowpeas 15 tonnes.

Interested? ... **Call Spelile on;**

**0977261591, or 0979890975 or Alex -0955236303 or Lumeta - 0976591563**

## USED CENTER PIVOT WANTED

Client seeks a used Centre Pivot in working/repairable condition with/without ancillary fittings/booster pump/ underground PVC/valves.

Contact [dutch@conservationagriculture.org](mailto:dutch@conservationagriculture.org) with approx details.

## CHALLENGE OF A YEAR OUT!

A young single and sober man seeks a challenge rather than be idle while waiting to pursue further studies next year.

He achieved excellent results in English and Maths in Grade 12, is fluent in Nyanja and Bemba. He is looking for something challenging to widen his horizons as he starts off in life and in return can offer dedication and attention to detail. He is seeking experience in anything rewarding rather than substantial financial reward- just sufficient to live on, but there must be an opportunity to learn from the university of life.

If you feel his services and your needs could be addressed in a mutually beneficial arrangement please respond by email via The Editor of the *Zambian Farmer* marked "A Year Out".

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## WEATHER

### ZAMBIA EVENING WEATHER FORECAST 28<sup>th</sup> September 2018

#### GENERAL SITUATION

Strong and cool airflow from the south east will be affecting most parts of Zambia.

#### FORECAST FOR TONIGHT: FRIDAY (28/09/2018)

**North western and Luapula Provinces:** Few clouds, slightly windy and warm.

**The rest of Zambia:** Clear, windy and warm.

#### FORECAST FOR THE WEEKEND: SATURDAY (29/09/2018) & SUNDAY (30/09/2018)

**Southern and Western Provinces:** Few clouds, hazy, windy and warm in the morning, becoming partly cloudy and hot to very hot in the afternoon.

**The rest of Zambia:** Partly cloudy, windy and mild to warm in the morning tending to be cloudy and hot with a chance of light rain in few places

#### OUTLOOK TO MONDAY (01/10/2018)

Windy and partly cloudy weather conditions to affect most parts of Zambia.

Produced by Zambia Meteorological Department, Ministry of Transport and Communications

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