

Caleb M Fundanga: Bringing new levels of efficiency to the Zambian banking sector through technological innovation

Speech by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the launch of the Zanaco bill muster, Lusaka, 27 June 2006.

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- Managing Director – Zambia National Commercial Bank Plc
- Senior management staff from Zanaco present
- Members of the press
- Invited guests
- Ladies and gentlemen

It is my honour and privilege to be invited to officiate at this breakfast press briefing on the launch of the **Zanaco bill muster product**.

I am informed that the Zanaco bill muster is Zanaco's latest product innovation. The product will enable the bank's customers to pay their utility bills at any Zanaco branch and utility companies will receive their collection details electronically online in real time.

I am further informed that the new product will make it possible for the bank's customers to pay for their utility bills by filling in a form instructing the bank through internet banking.

The product we are launching today is indeed a positive development as it should bring new levels of efficiency to the banking sector and set a precedence for other players on the market to emulate.

At Bank of Zambia, we sincerely support this type of innovation, especially if such a product helps in reducing the cumbersome use of paper and tedious work of manual transmission of payment instructions.

Ladies and gentlemen, you will agree with me that automation of processes brings in some efficiency which should translate into effective utilisation of resources. Instead of spending time processing bulk payments, employees will have time to concentrate on other more important assignments, such as deposit mobilisation, credit portfolio growth and administration, all of which are important for the wellbeing of an institution in terms of profits, enhanced shareholder value and growth of the economy at large.

The world is changing in terms of technological advancement and new methods of doing business are being developed every day. As a country and through innovations like the product we are launching today, we need to constantly keep up with these developments.

Ladies and gentlemen, as you are aware the government continues to give tax and other incentives for institutions and individuals importing computers and computer parts. This is deliberate. It is aimed at stimulating economic growth and as such we all have no excuse for not taking advantage of this development. We expect all commercial banks in Zambia to take full advantage of this for the benefit of the Zambian people through improved service delivery.

In this connection, I would like to take this opportunity to call on Zambia National Commercial Bank Plc, as a national bank, to take the lead in responding to our call and indeed government's call to reduce lending interest rates further.

I am mindful of the fact that Zanaco's base rate is one of the lowest in the country but would like to urge Zanaco to live by its slogan, "big, strong & reliable" by being proactive and set an example of supporting our efforts in developing the economy.

At the central bank, we have continued to do our best, in support of government's effort of reducing inflation, stabilising the currency and implementing sound monetary policies.

With inflation of 8.4%, the lowest in the last 30 years in the history of our country and other positive developments, we surely would not be asking for the impossible for commercial banks to respond favourably and reduce their lending interest rates further.

At this point, ladies and gentlemen, I would like to declare the Zanaco bill muster officially launched.

Thank you.