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**Republic of Zambia**

**MINISTERIAL STATEMENT ON THE STATUS OF INVESTMENT PROMOTION AND  
INFLOWS INTO ZAMBIA**

**TO BE DELIVERED BY HON. ROBERT K. K. SICHINGA - MP  
MINISTER OF COMMERCE, TRADE AND INDUSTRY**

**MARCH, 2012**

Ministry of Commerce, Trade and Industry

MR. SPEAKER,

IT IS MY HONOUR TO ADDRESS THIS AUGUST HOUSE AND DELIVER A MINISTERIAL STATEMENT CONCERNING THE STATUS OF INVESTMENT FLOWS INTO ZAMBIA, FROM SEPTEMBER, 2011 WHEN THE PATRIOTIC FRONT GOVERNMENT TOOK OVER OFFICE AND RESPONSIBILITY FOR RUNNING THE AFFAIRS OF OUR GREAT COUNTRY.

MR. SPEAKER,

AS YOU MAY BE AWARE, THAT THERE HAS BEEN A LOT OF INTEREST AND SPECULATIONS BY THE PUBLIC, REGARDING THE PF GOVERNMENT'S POLICY ON FOREIGN AND DOMESTIC DIRECT INVESTMENT. MOST OF THE SPECULATION HAS BEEN AROUSED BY OUR POLITICAL COMPETITORS, TO UNDULY TARNISH OUR PARTY POLICY ON INVESTMENTS.

I WISH TO CLEAR THE AIR ON THIS TOPICAL ISSUE SO THAT EVERY ZAMBIAN UNDERSTANDS OUR POLICY AND GAUGES CORRECTLY OUR PERFORMANCE IN THE LAST SIX (6) MONTHS, REGARDING ATTRACTING INVESTMENT INTO ZAMBIA.

MR. SPEAKER,

MAY I REITERATE THE POLICY DIRECTION THAT WAS GIVEN BY HIS EXCELLENCY, MR. MICHAEL CHILUFYA SATA DURING HIS INAUGURAL SPEECH, THAT THE PF GOVERNMENT EMBRACES BOTH DOMESTIC AND FOREIGN INVESTMENT AS A ONE OF THE SUSTAINABLE WAYS OF CREATING JOBS FOR OUR PEOPLE ESPECIALLY THE YOUTH. THE REPUBLICAN PRESIDENT DURING HIS MAIDEN ADDRESS TO THE NATIONAL ASSEMBLY FURTHER MADE A COMMITMENT TO ACCELERATE THE BUSINESS REFORMS FOR ENHANCED PRIVATE SECTOR DEVELOPMENT.

IN THAT CONNECTION, I WISH TO INFORM THE PUBLIC THAT THE PF GOVERNMENT HAS NOT CHANGED ITS POSITION AS FAR AS PROMOTION AND ATTRACTION OF INVESTMENT IS CONCERNED, BE IT FOREIGN OR DOMESTIC. NEITHER DO WE, NOR HAVE WE, PREFERRED ONE GLOBAL REGION OR NATION AGAINST ANOTHER.

MR. SPEAKER,

THE PATRIOTIC FRONT GOVERNMENT HAS BEEN IN OFFICE BARELY 6 MONTHS, AND IT WOULD BE JUSTIFIABLE TO STATE THAT THIS HAS MOSTLY BEEN A TRANSITIONAL PERIOD. IT IS

THEREFORE INADEQUATE TIME TO CONCLUSIVELY MEASURE THE LEVEL OF IMPACT OF THE NEW GOVERNMENT'S POLICIES ON INVESTMENT. HOWEVER, EVEN WITHIN THIS SHORT PERIOD IT IS SELF-EVIDENT THAT BECAUSE OF THE GOVERNMENTS STAND AGAINST CORRUPTION AND WELCOMING ALL INVESTORS AND NOT FAVOURING A PARTICULAR NATION OR GROUP, WE HAVE RECEIVED UNPRECEDENTED INTEREST AND ENQUIRIES FOR INVESTMENT IN ZAMBIA. CLEARLY ZAMBIA IS NOW VIEWED GLOBALLY VERY FAVOURABLY INVESTMENT DESTINATION.

INVESTMENT PLEDGES HAVE EXHIBITED AN INCREASE IN THE LAST QUARTER OF 2011 COMPARED TO THE SAME PERIOD IN 2010, INCREASING BY 69% (PERCENT) FROM US \$ 459 MILLION IN DECEMBER 2010 TO US\$ 779 MILLION IN DECEMBER 2011, AND BY 42 PERCENT FROM A FIGURE OF US\$ 129 MILLION IN JANUARY 2011 COMPARED TO US\$ 182 MILLION IN JANUARY 2012.

	2011 (US\$)	2010 (US\$)
OCTOBER- DECEMBER	US\$779M	US\$459M

THE COUNTRY HAS CONTINUED TO GENERATE SIGNIFICANTLY INCREASED INTEREST AMONG BOTH FOREIGN AND LOCAL



INVESTORS, WHO ARE SEEKING TO UNDERTAKE INVESTMENT PROJECTS IN VARIOUS SECTORS OF THE ECONOMY. LET ME INDICATE SOME OF THE MAJOR ON-GOING PROJECTS:

- A THERMAL POWER PLANT BY INVESTORS FROM SINGAPORE (ENERGY SECTOR);
- MINERAL EXPLORATION (WHICH INCLUDE A 10 FOLD INCREASE IN EXPLORATION EXPENDITURE BY BARRICK GOLD),
- THE NEW TRIDENT MINING PROJECT BY FIRST QUANTUM MINERALS,
- VARIOUS INDUSTRIAL MINERAL PROJECTS BY INVESTORS FROM AUSTRALIA, CHINA, INDIA, MAURITIUS, THE UNITED STATES, AS WELL AS LOCAL INVESTORS, AND
- HOUSING DEVELOPMENT PROJECT BY A JOINT VENTURE BETWEEN CHINESE IN PARTNERSHIP WITH THE LOCAL INVESTORS (REAL ESTATES SECTOR).
- THE PF GOVERNMENT HAS CONTINUED SUPPORT FOR THE DEVELOPMENT OF LUSAKA SOUTH MFEZ BEING CARRIED OUT BY ZDA.

OTHER NOTABLE PLANNED INVESTMENTS ARE IN THE TOURISM SECTOR MAINLY IN THE:

- ESTABLISHMENT OF HOTELS BY MAURITIAN AND LOCAL INVESTORS, ESTABLISHMENT OF ICT ASSEMBLY PLANT BY ZAMBIAN INVESTORS,
- ESTABLISHMENT OF A MINERAL PROCESSING PLANT BY CHINESE INVESTORS,
- A LARGE SCALE FISH FARMING ENTERPRISE IN SIAVONGA AND
- THE DEVELOPMENT OF AN ULTRA-MODERN RESIDENTIAL AND ACADEMIC CAMPUS BY ZAMBIAN INVESTORS.

THESE AND SEVERAL OTHER APPROVED PROJECTS HAVE ALREADY BEEN GRANTED INVESTMENT CERTIFICATES, AND THE PROJECT IMPLEMENTATION PERIODS ARE BETWEEN 1 AND 3 YEARS.

MORE RECENTLY, RESULTING FROM THE VISIT TO AUSTRALIA FOR THE COMMONWEALTH CONFERENCE AND THE COMMONWEALTH BUSINESS COUNCIL MEETING IN OCTOBER LAST YEAR, DURING WHICH THE ZAMBIAN DELEGATION LED BY

HIS HONOUR THE VICE PRESIDENT, UNDERTOOK AN INVESTMENT PROMOTION, PLEDGES OF INVESTMENT IN EXCESS OF FIVE (5) BILLION AUSTRALIAN DOLLARS HAVE BEEN MADE. AUSTRALIAN INVESTORS HAVE VISITED OUR COUNTRY TWICE SINCE LAST YEAR AND HAVE BEEN IN CONSULTATION WITH BOTH THE PRIVATE SECTOR AND GOVERNMENT.

FURTHERMORE, MY MINISTRY IN CONJUNCTION WITH THE ZAMBIA DEVELOPMENT AGENCY (ZDA) HAVE PLANNED FOR FOUR MORE NEW INVESTMENT PROMOTION MISSIONS INCLUDING TO: THE UNITED KINGDOM AND IRELAND, NORTH AND SOUTH AMERICA, MAINLAND EUROPE, ASIA (INCLUDING CHINA) AND AUSTRALIA.

ALL THIS IS BEING UNDERTAKEN IN AN EFFORT TO ATTRACT NEW INVESTMENT WHICH SHOULD CULMINATE INTO INCREASED FOREIGN DIRECT INVESTMENT INTO THE COUNTRY AND CREATE JOBS FOR THE YOUTH OF OUR COUNTRY THAT SUPPORT AND CONTINUE TO SUPPORT THE PF GOVERNMENT BECAUSE THE PF GOVERNMENT IS CONCERNED ABOUT THEM AND CARES FOR THEM. HOWEVER, THE RESULTS OF THESE EFFORTS WILL ONLY BE MANIFEST MUCH LATER DURING OUR TENURE OF OFFICE AND BEYOND.



**MR. SPEAKER,**

**THE PF GOVERNMENT IS VERY MUCH ALIVE TO THE TOP ISSUE OF JOB CREATION. THEREFORE, IN 2012, GOVERNMENT HAS PLANNED A NUMBER OF OTHER INTERVENTIONS THROUGH VARIOUS ECONOMIC AGENTS. THE GENERAL KEY INTERVENTIONS AND ECONOMIC ACTIVITIES INCLUDE:**

- A MORE FOCUSSED PUBLIC AND PRIVATE INVESTMENT IN PHYSICAL INFRASTRUCTURE;**
- TARGETING ECONOMIC DEVELOPMENT AND JOB CREATION ACTIVITIES THROUGH THE PLANNED ESTABLISHMENT OF INDUSTRIAL CLUSTERS IN ALL THE PROVINCES, DISTRICTS AND SELECTED CONSTITUENCIES; WHICH PROGRAMME SEEKS TO UTILISE THE NATURAL ENDOWMENT OF EACH LOCATION.**
- WORKING WITH RELEVANT MINISTRIES AND AGENCIES, WE SEEK THE DEVELOPMENT OF TERTIARY EDUCATION AND, TECHNICAL AND VOCATIONAL TRAINING CURRICULA RELEVANT TO AND TO PREPARE NEW ENTRANTS TO DEMANDS OF ECONOMIC ACTIVITIES;**



- PACKAGING ECONOMIC AND COMMUNITY DEVELOPMENT PROJECTS IN A MANNER THAT CAN HARNESS AND UTILIZE THE ABUNDANT RESOURCE ENDOWMENT AND LABOUR SUPPLY AT ALL SKILL LEVELS;
- EXPANSION OF CAPACITY BUILDING AND INCREASED TECHNICAL ASSISTANCE TO MICRO SMALL AND MEDIUM ENTERPRISES (MSMES) BUSINESS ACTIVITIES THAT ARE AIMED AT IMPROVING PRODUCT AND SERVICE QUALITY, EXPANDING PRODUCTION, AND MAKING BUSINESS OPERATIONS COMPETITIVE, WHILE ASSURING INCREASED JOBS FOR MSME'S. WE SEEK TO ADVANCE MSME'S AS AN ENGINE FOR NATIONAL GROWTH DRIVEN BY OUR CITIZENS; AND
- ENGAGING WITH THE BANKING SECTOR WITH A VIEW TO IMPROVING ACCESS TO BUSINESS FINANCE AS WELL AS ENCOURAGING THE LOWERING OF INTEREST RATES WITNESSED IN THE IMMEDIATE PAST. THE BASE LENDING RATES BY THE COMMERCIAL BANKS HAVE GRADUALLY DECLINED. WE ARE ENGAGING THE BANKING SECTOR TO ENHANCE THEIR PROMOTION AND SUPPORT OF MSME'S.

MR. SPEAKER,

IT IS ENVISAGED THAT THESE INTERVENTIONS WILL RESULT IN A TOTAL OF MORE THAN 150,000 DIRECT AND INDIRECT JOBS BEING CREATED IN THE VARIOUS SECTORS ACROSS THE COUNTRY WITHIN 2012. HOWEVER OUR TARGET IS TO CREATE NO LESS THAN 1 MILLION NEW JOBS BY 2016.

MR. SPEAKER,

UNDER THE PF GOVERNMENT, THE MANUFACTURING SECTOR HAS CONTINUED TO ATTRACT RELATIVELY HIGHER LEVELS OF INVESTMENT, SECOND ONLY TO THE MINING SECTOR. IN ORDER TO MAINTAIN THE MOMENTUM TO INCREASE INVESTMENT IN THE MANUFACTURING SECTOR GOVERNMENT WILL CONTINUE TO PROMOTE INVESTMENT IN THE LUSAKA, CHAMBISHI AND LUMWANA MULTI FACILITY ECONOMIC ZONES (MFEZ'S).

INCLUDED ON THIS LIST ARE NEWLY ESTABLISHED INDUSTRIAL PARKS WHICH ARE PRIVATELY OWNED BY ZAMBIANS; ROMA PARK IN LUSAKA AND SUB-SAHARA PARK IN NDOLA. WITHIN 180 DAYS THE PF GOVERNMENT HAS ALREADY CONNECTED THE NDOLA PARK OWNED BY A ZAMBIAN TO AUSTRALIANS

WHO HAVE PLEDGED TO INVEST MORE THAN THREE BILLION AUSTRALIAN DOLLARS (AUS\$3BN) WHICH INVESTMENT INCLUDE A NEW OIL REFINERY AND PIPELINE TO DAR-ES-SALAAM, AN MSME PARK, DRY PORT AND HOUSING. A NEW CEMENT PLANT WORTH US\$500M IS UNDER CONSTRUCTION IN NDOLA BY AN AFRICAN INVESTOR FROM NIGERIA.

NO ONE SHOULD THEREFORE DOUBT THE PF GOVERNMENTS DETERMINATION TO SEE A VIBRANT MANUFACTURING SECTOR, WHICH ADEQUATELY SUPPORTS THE PRIMARY SECTORS OF (AGRICULTURE AND MINING) PRODUCTION. WE SEEK SIGNIFICANTLY INCREASED VALUE ADDITION TO OUR PRIMARY COMMODITIES.

IN CONCLUSION, I WISH TO REAFFIRM OUR GOVERNMENT'S COMMITMENT ON ATTRACTING ADDITIONAL INVESTMENTS IN ALL SECTORS OF THE ECONOMY IN ORDER TO CREATE JOBS FOR OUR PEOPLE AND PUT MORE MONEY IN THEIR POCKETS AND PURSES.

MR SPEAKER,

GIVEN THE FACTS THAT I HAVE GIVEN ABOVE, IT WOULD BE MISCHIEVOUS AND MERE POLITICKING FOR ANYONE,



INCLUDING FORMER MINISTERS OF GOVERNMENT WHO ARE IN THIS HOUSE, TO GIVE THE FALSE IMPRESSION THAT MERELY BECAUSE THEY ARE NO LONGER IN POWER, THEREFORE INVESTMENT INTO ZAMBIA HAS DWINDLED. WE SHOULD ALL LEARN TO GIVE CREDIT WHERE IT IS DUE.

MR SPEAKER,

SUCH STATEMENTS FROM MEMBERS OF THE OPPOSITION ARE IRRESPONSIBLE. LET ME EMPHASISE THAT THE GOVERNMENT OF THE PEOPLE OF ZAMBIA IS VERY SECURE UNDER THE PATRIOTIC FRONT AND THE PRESIDENCY OF MR SATA IN WHOM THEY HAVE DEPOSITED THEIR TRUST. IT IS TIME THAT OUR COLLEAGUES IN THE OPPOSITION GOT USED AND ACCEPTED THE FACT THAT THEY MESSED UP THEIR ECONOMIC DIRECTION AND THAT IS WHY THE PEOPLE OF ZAMBIA REMOVED THEM FROM OFFICE.

PF IS FULLY IN CONTROL AND RESPONSIBLY SO WE KNOW HOW TO RUN THE ECONOMY COMPETENTLY. WE THEREFORE CALL FOR A MORE RESPONSIBLE OPPOSITION THAT TALKS TO VERIFIABLE FACTS. ELECTIONS ARE OVER AND IT IS TIME TO

**DO THE WORK AND DELIVER TO OUR PEOPLE. THERE IS NO  
TIME TO WASTE ON SOUR GRAPES**

**MR. SPEAKER, I THANK YOU**