



**Republic of Zambia**  
**Ministry of Commerce, Trade and Industry**

**SPEECH DELIVERED BY HONOURABLE FELIX C. MUTATI, MP, MINISTER OF  
COMMERCE, TRADE AND INDUSTRY, AT THE OFFICIAL OPENING OF THE  
OECD – NEPAD INVESTMENT CONFERENCE ON TUESDAY, 27<sup>TH</sup> NOVEMBER,  
2007 AT MULUNGUSH INTERNATIONAL CONFERENCE CENTRE**

**November 2007**

**Chairperson**

**Visiting Cabinet Ministers**

**Ministers of State Present**

**Prof. Firmino Mucavele, Executive Head of NEPAD**

**Dr. Bernard Koussi, Executive Director, APRM Secretariat**

**Mr. Mario Amano, Deputy Secretary General of OECD**

**Senior Government officials**

**Distinguished Invited Guests**

**Ladies and Gentlemen**

I wish, on behalf of His Excellency, Dr. Levy Patrick Mwanawasa SC, President of the Republic of Zambia, the Zambian Government and indeed the people of Zambia, to welcome you to Zambia and to this OECD – NEPAD Africa Investment Initiative, Lusaka Roundtable Conference.

Chairperson, It is my honour and pleasure to officiate at this very important Regional Roundtable Conference jointly organized by the New Partnership for Africa's Development (NEPAD), Investment Committee of the Organisation for Economic Cooperation and Development (OECD) and the Government of the Republic of Zambia whose theme is "Strengthening Investment Climate Assessment and Reform in NEPAD Countries".

Let me thank the Governments of Belgium, Germany and Japan and the Africa Development Bank, ICF, UNCTAD, UNECA, IFC, to mention but a few for ensuring that this Regional Roundtable Conference sees the light of day.

Allow me Chairperson to refer to the theme of this Regional Roundtable Conference entitled 'Strengthening Investment Climate Assessment and Reform in NEPAD Countries'. This theme Chairperson is more relevant to many African Governments who favour a robust investment climate within the context of the African Peer Review Mechanism (APRM) given that the APR Secretariat is working on improving the investment climate content of Africa's own peer review mechanism and African countries are also looking for more comparisons of investment climate assessment, country reform agendas and their impact in specific sectors. As a matter of fact, these were the main conclusions and outcomes from the previous OECD-NEPAD Africa in Brazzaville, Republic of Congo in December 2006.

Chairperson, it may be important for this distinguished gathering to note that the Republican President, His Excellency, Dr. Levy Patrick Mwanawasa, SC, launched a Private Sector Development Initiative in June 2004. The main objective of the Private Sector Development Initiative is to reform and to create conducive environment for a vibrant private sector. The Reform Programme has laid a solid foundation for faster, sustained and private sector led economic growth by implementing a comprehensive action plan for enhancing the business and investment climate, and restoring investor confidence.

The Private Sector Development Initiative was developed using a highly consultative process that took into account an extensive review of previous studies and recommendations relating to private sector development. In that connection, the public/private sectors jointly engaged both bilateral and multilateral organizations to secure their understanding on the matter and roles they are expected to perform and ensure successful implementation.

The Private Sector Development Initiative provides the blueprint for creating the enabling environment for a vibrant private sector and accelerated economic growth. As a consequence, both the public and the private sector speak with one voice on this matter.

In terms of priority designation, the Private Sector Development Initiative stresses and underlines the importance of improving access to export markets, increasing export-oriented production, local empowerment, private investment in infrastructure, and stronger public agencies.

As you are all aware, Zambia belongs to two (2) regional economic groupings, namely, SADC and COMESA. Zambia is rich in natural resources that include vast agricultural lands, tourism, rich mineral deposits such as copper, cobalt, iron ore, manganese, gemstones such as emeralds, aquamarine and amethyst. It is also home to one of the seven (7) wonders of the world, the Mighty Victoria Falls. The point here should not only remain at the level of resource endowment and/or comparative advantage but rather, competitive advantage.

That is, for Zambia to achieve the objective of becoming a middle income country by the year 2030, there is need for all economic players to devote all their energies in finding innovative ways of adding value to our raw materials before exporting them.

Chairperson, you may wish to note that Zambia has signed a number of Investment Promotion and Protection Agreements with many countries and a few companies and continues to discuss and negotiate with those that have not yet signed.

These days, foreign investors with money to invest are looking beyond their traditional base of operations to scope out potential new opportunities in Africa, Zambia included.

In the last four years, Zambia has been experiencing impressive economic turnaround, in which rising incomes are unleashing pent-up consumer demand for goods and services. Investors have, for example, started to dip their toes into places that saw little foreign investment in the past, but where the reform-minded New Deal Government is making inroads towards creating more business-friendly environment.

That is to say, Chairperson, improved investment climate, macroeconomic stability, excess liquidity, and surging demand are driving the investment to a very large extent.

It is a fact that we are absolutely seeing more private investment activity in the country today than before and this is not by accident but because of the investor-friendly policies that the New Deal administration has put in place. We shall continue, Chairperson to work towards removal of the negative perception about the continent and Zambia included.

It is for this reason that I call upon this Regional Roundtable Conference to join Governments in Africa in marketing the continent as attractive investment destination, given that the continent is still perceived as a “challenging market that no one would touch a few years ago.

What is equally important, Chairperson, after all is said and done, is translating opportunities into real investment, which require a measured assessment of the realities faced by investors.

According to the World Bank's Doing Business Report for 2007, countries in Sub-Saharan Africa occupy 19 of the bottom 25 places in ease of doing business rankings. More than a third of the countries in Africa are still suffering from the legacy of past conflicts. However, when it comes to increasing FDI into Africa, the bottom line is that Sub-Saharan Africa continues to be perceived as a high-risk, high-cost place to do business.

I wish to, therefore, call upon the western world and OECD to change the negative perception about Africa and to start seeing Africa as a partner and take advantage of the numerous investment opportunities in the continent.

You will be pleased to note that Zambia has been and continues to address such challenges by putting in place policies and measures to improve the situation. For example, the Private Sector Development Initiative together with the Zambia Development Agency Act, are some of the positive steps we have taken to improve the investment climate in the country. Major investments which have come in the country include the Konkola Copper Mines (US \$1billion), Lumwana Copper Mines (US \$ 1 billion), Chamishi Special Economic Zone (US \$ 900 million), Zambia Sugar PLC (US \$195million), Lafarge Zambia (US \$120million), to name but a few.

Under the Private Sector Development Initiative, a Working Group on "Administrative Barrier" has been doing a commendable job of identifying legislation and other factors that were perceived as major constraints to

doing business. For example, registration of business names and companies now takes one to three days from about 72 days. The cost of doing business is also being lowered by minimizing subjective discretionally provisions that are prone to corrupt practices and so forth.

In terms of market space under globalised trading systems, Zambia remains a committed member of a free community of countries and actively participates in regional economic integration agenda.

This, Chairperson ensures open access and/or preferential treatment to:

- (a) 14 member SADC countries;
- (b) 19 member COMESA countries;
- (c) duty free and quota free AGOA market;
- (d) ACP/Contonou Agreements provides for preferential access to the 25 member countries of the European Union; and
- (e) double taxation treaties have been signed with a number of countries while others are still under negotiations.

Why should world-class companies choose to invest in Zambia?

- (a) stable macro-economic environment;
- (b) strategic location as the centre of Southern, Eastern and Central Africa, surrounded by eight neighbouring countries;
- (c) attractive and competitive incentive packages for agriculture, tourism, manufacturing, mining, timber, textiles and energy sector;
- (d) abundant land, minerals, and natural resources;

- (e) attractive and competitive incentive packages for priority products as outlined in the ZDA Act;
- (f) preferential access to SADC, COMESA, AGOA and the European market;
- (g) high reservoir of skills, low electricity costs and wages; and
- (h) full and unrestricted repatriation of profits and dividends.

At present, there are a number of foreign firms operating in Zambia from all over the world in all sectors of the economy all trying to create wealth and jobs and thereby contribute to economic growth and development.

In concluding, Chairperson, I wish to take this opportunity to thank all the participants for attending this important Roundtable Conference.

I am as keen as all of you to see to it that this Regional Roundtable Conference provides answers on how best to strengthen the investments in the NEPAD member countries and also see to it that all the countries implement the right reforms.

On a lighter note, just to remind all those visiting Zambia for the first time, as you may have already noted, Zambians are welcoming and hospitable people. I, therefore, wish to urge you to find time from your busy schedule to mix with the local population and learn a bit more about our culture and visit our tourism sites.

I now declare this Regional Roundtable Conference officially open.