



ZAMBIA DEVELOPMENT AGENCY

SPEECH TO BE DELIVERED BY
ZAMBIA DEVELOPMENT AGENCY DIRECTOR GENERAL
AT THE
JOINT ZDA-IGC RESEARCH DISSEMINATION EVENT

DATE: 24TH NOVEMBER, 2016

TAJ PAMODZI HOTEL

IN LUSAKA

The Ministry of Commerce, Trade and Industry Permanent Secretary,
Mrs. Kayula Siame

The Permanent Secretaries from the invited Government Ministries

The Country Director, International Growth Centre (IGC)

Heads of statutory bodies under MCTI present

Senior Government Officials

Members of the press

Invited guests

DISTINGUISHED LADIES AND GENTLEMEN

It is my great honour and privilege to speak to you at this joint ZDA – IGC dissemination workshop which has drawn stakeholders from both the public and private sectors in one place to meet and exchange ideas on how we can foster gains in our economy.

As you may be aware, the Zambia Development Agency (ZDA) is a statutory body mandated to promote trade and investment. The foregoing is achieved through investment promotion, export promotion, enterprise development and infrastructure development, among others thus feeding into ZDA's goal of contributing to the creation of wealth and one million jobs by 2020.

DISTINGUISHED LADIES AND GENTLEMEN

Increasing Zambia's non-traditional Exports is one of the main goals of ZDA as enshrined in the current strategic plan. As you might be aware, our economy is still dependent on copper. However due to the slowdown in the Chinese economy, the copper prices have been subjected to high volatility on the international markets. This has by and large reduced the country's foreign exchange earnings thereby negatively affecting the country's resource base.

To mitigate the reduction in foreign export earnings from copper, there is an urgent need to expand the exporter base particularly in agro-processing and manufacturing in order to significantly increase the non-traditional exports. To achieve this, ZDA undertakes various activities which include market intelligence and export promotion. This involves carrying out research activities at institutional level in order to gather relevant information which guides the strategic implementation of activities for the actualization of the ZDA strategic plan objectives.

Some of the research activities of the Agency in the area of exports include the annual exporter survey exercise through which the institution identifies the inert potential of Zambian firms such as quality of products, supply capacity and constraints faced in the course of exporting. This is in addition to various supply surveys conducted by the Agency from time to time.

DISTINGUISHED LADIES AND GENTLEMEN

ZDA values information gathered through research for the purpose of making well informed decisions and structuring relevant demand driven responses to our client needs. For this reason, several market researches are carried out annually in order to better target potentially viable products to the right markets both regionally and internationally.

As you may be aware, the Agency has in the past carried out such studies in the great lakes area of our region, Mozambique and Angola among others with a very recent market research having been undertaken in the Democratic Republic of Congo and South Africa in June, 2016. It may interest you to know that in our annual plans we intend to broaden our knowledge base to more countries in the regions including updating those we have so far covered.

I will therefore be failing in my duties if I do not acknowledge that this dissemination workshop could not have come at a better time for us as an Agency. The two research studies by IGC are not only timely but serve to provide very key information which will be resourceful to the

development of our programmes as it will fill the existing gaps and provide us with relevant input into our market intelligence base.

It is clear from the research findings that Zambia's export base is still narrow and therefore requires urgent attention. A wider export base is necessary if Zambia is to make meaningful foreign exchange earnings for economic growth. Further, it is also clear from the findings that there is a direct relationship between quality management practices and productivity in manufacturing. These, ladies and gentlemen are very important findings that will influence policy for the much required economic diversification and development in our country. I therefore commend the IGC for the job well-done.

DISTINGUISHED LADIES AND GENTLEMEN

Allow me to bring to your attention the performance of the non-traditional exports sub sector in 2015.

In 2015, the total non-traditional exports amounted to US\$1.9 billion dollars compared to US\$ 2.4billion in 2014 representing a decline of 22%. In the year under review, the largest markets for Zambia's non-traditional exports were the Democratic Republic of Congo and South Africa with 31% and 17% of the export earnings respectively. These were followed by Zimbabwe contributing 14% of the total earnings and the fourth largest market being Malawi with 6% of market share.

The main constraints faced by exporters in 2015 included lack of export financing, depreciation of the kwacha, uncompetitive export prices, reduced electricity supply and high cost of production, amongst others.

You will all agree with me that these challenges will need to be addressed if we are to actualize economic diversification and increased trade to meaningful levels. This is what makes the purpose of this workshop today so critical and important.

DISTINGUISHED LADIES AND GENTLEMEN

In view of the decline in NTEs, the strategic objective for export growth across most viable sectors of non-traditional exports is to increase and expand non-traditional exports by providing value addition and diverse products into existing and new markets

This entails ensuring that Zambian products have continued access to international markets thereby securing employment for Zambians in the long term. Further, the strategic plan places great importance on value addition and product development initiatives with the intention of increasing competitiveness of Zambian products in the export markets.

The ZDA therefore undertakes deliberate capacity building programmes targeted at exporting companies to ensure that firms are export ready as we aim to make our private sector more effective in

contributing to the development of the national economy. This is in addition to various export promotion activities which the Agency undertakes every year in order to penetrate new markets and also to maintain the foothold of Zambia in existing markets.

In this regard, the ZDA has actively participated in several regional and international trade exhibitions in countries such as Zimbabwe, South Korea, Mozambique, South Africa, Kenya, Saudi Arabia, France and China. In addition to these activities, the Agency has also undertaken trade missions to Botswana and democratic republic of Congo.

DISTINGUISHED LADIES AND GENTLEMEN

On behalf of the ZDA, I wish to express my sincere gratitude to all stake holders who have continued to work tirelessly by contributing to this county's well-being and its economic sustainability. The private sector has continued to strive to remain viable in spite of the prevailing economic challenges. Our private deserve to be highly commended for their resilience.

I also wish to thank all the companies that cooperated with ZDA through collaboration in the various export development activities it undertakes. Your efforts play a pivotal role in diversifying Zambia's exports through the promotion of non-traditional exports.

I must emphasize that the ZDA Board of Directors and management is committed in ensuring that all stakeholders remain pragmatic in delivering tangible results that will make a difference in the lives of Zambians in alleviating poverty, and creating wealth.

Finally, I wish to take the opportunity to thank all stakeholders for your effective participation in this dissemination workshop and appeal to your continued efforts to collaborate with the ZDA for the achievement of the sustainable growth of our economy.

I THANK YOU.