

MEDIA BRIEFING

Statement by the Zambia Development Agency Director General, Mr. Albert Halwampa on the Agency's Performance in the first half of 2023

Date: 28th July, 2023

Venue: ZDA Boardroom

- **Management and Staff of the Zambia Development Agency Present,**
- **Members of the Media**

Good morning and welcome to the Zambia Development Agency Media Briefing. Thank you for accepting our invitation to attend this media briefing intended share with you the performance of the Agency in the first half of 2023.

The ZDA recognises the media as an important partner and we value your role in helping the Agency reach diverse audiences with critical messages on Investment, Trade and Business Development. Against this background, please note the Agency highlights for the first half of 2023 as follows:

A. Overview of the Business Environment in the First Half of 2023

Exchange Rate

The Kwacha continued to show resilience and buoyance against the USD Dollar and other convertible currencies oscillating with allowable margins. The continued stability of the exchange rate regime raised investor Confidence. As such the kwacha recorded an average exchange rate of K17.40 to USD. The predictability of the exchange rate movement was a plus resulting in High Investor Confidence.

Inflation Rate

Inflation rate remained stable and averaged 9.9%. The stable and predictable exchange rate provided another layer of investor confidence. Within single digit inflation incomes at both industrial and household level remain realistic and hence enabling various sectors of the economy to effectively plan hence raising investor confidence levels.

Debt Restructuring

Zambia scored a first and a milestone by reaching an agreement with its creditors finalised a \$6.3bn debt restructuring agreement, paving the way for the disbursement of \$188m from the International Monetary Fund (IMF), a significant milestone towards economic recovery and growth.

Debt restructuring agreement has increased investor confidence in the country with expected further increase in investments, create fiscal space for investment and bring about micro-economic stability.

The Agency pays tribute to government under the leadership of Mr Hakainde Hichilema President of the Republic of Zambia for his visionary leadership and tenacity to restore economic stability and investor confidence in the economy supported by consistent policies and investor friendly policies, rule of law, peace and tranquillity.

B. Performance Overview

During the first half of the year, the Agency continued to drive its trade and investment agenda by implementing a number of programmes that included targeted trade and investment missions as well as facilitating business development services aimed at enhancing the growth and competitiveness of businesses in key sectors of the economy as follows:

1. Investment Promotion and Business Facilitation

- 173 Investment ventures were registered in the first half of 2023 with an investment of US\$ 14.5 billion compared to 156 investment ventures recorded in the same period in 2022 with an investment of US\$ 1.3 billion, representing an increase of 1,015.4 percent.
- The main contributing sectors included Energy, Construction and Manufacturing with the highest investment in energy worth US\$ 9.1 billion followed by construction with US\$654 million and manufacturing with US\$345 million.
- In addition, 15, 525 jobs were recorded from the 173 investment ventures registered compared to 11, 434 jobs recorded from the 156 investment ventures recorded in the same period in 2022 representing a percentage increase of 35.8%.

- I am glad to report that the Agency exceeded its target in both projected investments and projected jobs by 827.6% and 155% respectively.

2. Actualised Investments

- The Agency undertakes monitoring and evaluation of enterprises as a way of ascertaining the level of project implementation and actualisation of investments.
- During the period under review, 128 Investment ventures were monitored recording actualised investment of US\$ 879.4 million and 13, 680 jobs.

3. Export Promotion and Development

- The country recorded total exports worth US\$ 6.06 billion out of which USD 4.22 billion were traditional exports and US\$ 1.83 billion worth of Non-traditional exports (NTEs).
- There was an increase in total export earnings by 3.23 percent from US\$ 5.87 billion recorded in the first half of 2022 compared to US\$ 6.06 billion in the same period in 2023.
- NTEs increased by 14.37 percent from US\$ 1.6 billion recorded in 2022 to US\$ 1.83 billion recorded in 2023.
- The Agency facilitated market access for 220 exporters to potential buyers.
- 246 exporters were trained in export readiness.
- Lastly, 496 exporters were provided with trade information.

4. Business Development

- Under Business Development 4, 972 accessed Business Information against a half year target of 2,500.

KEY DRIVERS OF HUGE INVESTMENT PROJECTS

- The Agency's good performance in the first half of 2023 can be attributed to the following:
 1. Good political leadership which continues to inspire investor confidence; The President Has opened many doors. Making it easier to promote investment.

2. Sustainability of macroeconomic fundamentals: Inflation, debt, exchange rates
3. Business reforms by government- Public Private Dialogue Form. Presidential Delivery Unit
4. Improved funding to the Agency; and

C. Outlook for the rest of the year

1. **License Online Applications:** As stated during the last quarterly briefing, I am happy to inform you that the ZDA launched the Online application Portal. This means that both local and international investors from around the world can apply for an Investment License, SME Registration, MFEZ Operator Permit and MFEZ Developer License from the comfort of their homes or offices. This is in line with Government direction to improve the ease of doing business in the country.
2. **Enhanced Investment Promotion:** The Agency is continuing with scheduled investment promotion programmes and missions (inward and outward missions) in the bid to stimulate and attract investments into our country. Some of the scheduled investment programmes include the Zambia – Israel Business Forum.
 - Farm blocks
 - Electric vehicle batteries and accessories
 - Energy
 - Packaging investments and capacity building CDF and CEEC
 - Special Economic Zones in Provinces
 - Climate Smart Investments
3. **Scaled Export promotion and Development:**
 - Trade Mission to Democratic Republic of Congo
 - Trade Fairs in regional markets
 - Continental Free Trade Area- Intra African Trade Fair
4. **Business Development Services:**

- Capacity Building
 - Product development,
 - Market linkages and facilitation of partnerships and joint ventures.
 - CDF packaged investments
5. **Decentralization:** Opening of new offices in Copperbelt and NorthWestern Provinces

In closing, I would like to thank you all for your attention and encourage you to share this information with the public.

As per commitment, we shall continue to hold Media briefings every quarter in order to keep the nation informed of the performance and activities by the Agency in its bid to promote trade and investment for the prosperity of the nation.

Should you have queries or clarifications before these scheduled Media Briefings, please do not hesitate to reach out to our Communications and Public Relations office which is always available to provide you with the requisite information.

I thank you for your attention.