

## MEDIA BRIEFING STATEMENT

**Statement by the Zambia Development Agency Board Chairperson, Prof. Biemba Maliti on the Agency's Performance in the year 2023 and outlook for the year 2024**

**Date: 28<sup>th</sup> December, 2023**

**Venue: ZDA Boardroom**

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

Good morning and compliments of the season.

I welcome you all to the Zambia Development Agency Media Briefing. Thank you for accepting our invitation to cover this media briefing intended share with the nation through you the media the performance of the Agency in the year 2023 and outlook of 2024.

As ZDA, we recognise you, the media as an important partner and value your role in helping the Agency reach diverse audiences with critical messages around Investments, Trade and Business Development. Against this background, please note the Agency highlights for the year 2023 as follows:

### **A. GOOD POLITICAL LEADERSHIP**

**Good leadership By His Excellency, Mr. Hakainde Hichilema, the President of the Public of Zambia-** His Excellency Mr. Hakainde Hichilema, President of the Republic of Zambia has prioritized trade and investment in order to create jobs and wealth for Zambia. The President has performed excellently well in promoting Zambia as first choice destination for investment as evidenced by the nearly US\$ 40 billion of committed investments in 2023. The President continues to inspire investor confidence. The President has opened many strategic doors, making it easier to attract and promote investment. As simply put by some of the investors, ***“President HH is the best man to bring about lasting economic development to Zambia. His good leadership and consistent policies are inspiring investor confidence to levels never seen before.”*** The Good leadership by President HH is rated as number one factor to wooing investors into the country.

The President has strategically engaged with world leaders and top investors globally to unlock the much needed capital to transform Zambia's various endowments into jobs and wealth for the good of Zambia. Many of the committed investments from Europe, China, and United Kingdom, United States of America, Middle East and the rest of the world are being implemented and are at various stages of actualisation. Within a year or two the completed projects will employ thousands of Zambians and create wealth for all. The Zambia Development Agency will leverage on the leadership provided by his Excellency the President to ensure effective trade and investment promotion for Zambia.

## **B. Overview of the Business Environment in 2023**

The Country's macroeconomic environment was resilient and relatively stable amidst external and internal.

### **1. Exchange Rate**

Kwacha in relation to major convertible currencies averaged K19.76 to US\$1.

### **2. Market Lending Rates**

The lending rates averaged 25.5% in the period under review.

### **3. Inflation Rate**

The inflation average 10.65 percent in the period under review.

### **4. Approval of Zambia's Extended Credit Facility for Debt Restructuring**

Due to good economic governance and fiscal discipline, Zambia's official creditors finalised a \$6.3bn debt restructuring agreement, which paved the way for the disbursement of \$188m from the International Monetary Fund (IMF), a significant milestone towards economic recovery & growth.

Further, Government and the International Monetary Fund (IMF) completed the second review of the Extended Credit Facility (ECF) for Zambia which contribute towards aspirations to achieve fiscal and debt sustainability expected to result in restoration of investor confidence.

The completed second review of the Extended Credit Facility will trigger the disbursement of approximately US\$187 million while the World Bank will disburse a grant of US\$125 million.

This support will help restore Zambia's macroeconomic stability, create fiscal space as well as promote private sector led inclusive growth.

## **C. Performance Overview**

During the period under review, 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**

- US\$39.95 billion worth of committed investments were recorded in 2023 from 379 Investment projects compared to US\$ 8.61 billion recorded in 2022 from 359 projects, representing an increase of 364 percent.
- The Manufacturing sector recorded the highest investment worth US\$ 19.72 billion followed by energy with US\$8.9 billion, mining with US\$ 6.04 billion and Transport with US\$ 1.65 billion.
- In addition, 160,280 jobs were committed from the 371 investment projects recorded in 2023 compared to 75,320 jobs committed from the 359 investment projects recorded in 2022, representing a percentage increase of 113 percent.
- I am glad to report that the Agency exceeded its target in both committed investments and jobs in 2023.

**Table 1: Committed Investment and Employment by Sector**

Sector	Source Country	Committed Investment (USD)	Committed Employment
Manufacturing	United States of America, Britain, China, United Kingdom, Zambia	21,554,451,236.00	153266
Energy	Zambia, United Arab Emirates, Singapore, China, Tanzania	13,612,950,000.00	32664
Transport	UAE, Zambia, China, South Africa, Namibia	1,686,122,610.00	39030
Mining	India, United States of America, United Kingdom, China, Zambia	1,296,040,571.00	6840
Construction	China, USA, Zimbabwe, Zambia, Switzerland	1,018,138,567.00	11832
Agriculture	India, United States of America, China, Ireland, Portugal	182,314,280.00	30030
Service	Zambia, China, South Africa, Mauritius, United Arab Emirates	61,642,591.00	15948
Trading	China, India, Somalia Zambia	14,000,000.00	2328
Health	United Arab Emirates, India	11,544,000.00	1242
Real Estate	UK, South Africa, Botswana, Somalia, Zambia	9,283,348.00	3918
Tourism	Zambia, China, Tanzania Eritrea	5,881,797.00	1782
ICT	China	4,500,000.00	2400
<b>Total</b>		<b>39,456,869,000.00</b>	<b>160,280</b>

## 2. Actualised Investments

- The Agency undertakes monitoring and evaluation of enterprises as a way of ascertaining the level of project implementation and actualisation.
- During the period under review, 232 Investment Projects were monitored in various sectors recording actualised investment of US\$ 2.1 billion and 25, 890 jobs.
- The actualised projects are a sample of committed projects registered with the Agency between 2021 and 2022.
- The monitored projects are at different levels of implementation including construction, procurement of machinery and equipment, installation and production.

**Table 3: List of Top 10 Successful Actualised Investments**

Project Name	Project Location	Sector	Committed investment	Actualized Investment (USD)	Committed Jobs	Actualized Jobs
<b>United Capital Fertilizer Zambia Company Limited</b>	Chilanga	Manufacturing	1,100,000,000.00	500,000,000.00	700	1,468
<b>FQM Trident Limited</b>	Kalumbila	Mining	310,110,000.00	264,700,000.00	700	3,555
<b>Mimbula Minerals Limited</b>	Chingola	Manufacturing	110,000,000.00	200,000,000.00	485	800
<b>MM Integrated Steel Mills Limited</b>	Lusaka	Manufacturing	25,100,000.00	56,308,625.00	282	348
<b>Me Long Teng Grinding Media Zambia Limited</b>	Kalumbila	Manufacturing	5,110,608.00	35,000,000.00	150	147
<b>Bibagry Beverages Limited</b>	Lufwanyama	Manufacturing	30,000,000.00	27,000,000.00	114	125
<b>SCZ International Limited</b>	Mkushi	Agriculture	10,000,000.00	23,217,877.00	300	319
<b>Southern Africa Ferro Alloys Ltd</b>	Lusaka	Manufacturing	11,000,000.00	13,715,906.00	63	300
<b>V-Pack Zambia Ltd</b>	Masaiti	Manufacturing	2,000,000.00	2,600,000.00	32	40
<b>Munyati Farming Ltd</b>	Choma	Agriculture	3,561,000.00	2,064,000.00	230	230

### 3. Export Development and Promotion

- US\$ 11.8 billion total exports were recorded in 2023 out of which USD 7.58 billion were traditional exports while US\$ 4.22 billion were Non-traditional exports (NTEs);
- Total exports earnings increased by 2.15 percent from US\$ 11.65 billion recorded in 2022 to US\$ 11.80 billion in 2023;

- NTEs increased by 19.9 percent from US\$ 3.52 billion recorded in 2022 to US\$ 4.22 billion recorded in 2023;
- The Agency facilitated market access for 283 exporters to potential buyers in Congo DR, Botswana, Mozambique, South Africa and Angola among others;
- 347 exporters were trained in export readiness; and
- 726 exporters accessed trade information.

**Table 4: Top 10 Export markets**

S/N	COUNTRY	VALUE (USD)
1	Switzerland	3,324,004,338.48
2	China	1,436,981,179.92
3	Congo DR	1,137,176,495.33
4	Singapore	505,780,098.24
5	South Africa	243,781,373.84
6	Zimbabwe	186,305,186.41
7	Botswana	94,328,999.79
8	Malawi	93,423,462.52
9	Namibia	84,404,074.65
10	Hong Kong	83,716,742.34

The top ten (10) export products include;

1. Copper
2. Electrical Energy
3. Sulphur
4. Tobacco
5. Cobalt
6. Other raw cane sugar
7. Nickel ores
8. Cement
9. Soya beans
10. Sulphuric acid

## KEY DRIVERS OF HUGE INVESTMENT PROJECTS

The Agency's good performance in the year 2023 is attributed to the following factors among others:

1. Good leadership- His Excellency Mr. Hakainde Hichilema, President of the Republic of Zambia has prioritized trade and investment in order to create jobs and wealth for Zambia. The President has performed excellently well in promoting Zambia as first choice destination for investment as evidenced by the nearly US\$ 40 billion of committed investments in 2023. The President continues to inspire investor confidence. The President has opened many strategic doors by unlocking the much needed capital from the rest of the world, making it easier to attract and promote investment. As simply put by some of the investors, "***President HH is the best man to bring about lasting economic development to Zambia. His good leadership and consistent policies are inspiring investor confidence to levels never seen before.***"
2. Stable macroeconomic fundamentals;
3. Business reforms by government- Public Private Dialogue Forum and Presidential Delivery Unit and
4. Improved funding to the ZDA.

### D. Outlook for 2024

1. **Online Applications:** ZDA launched the online application Portal enabling both local and international investors from around the world to apply for an Investment License, SME Registration, MFEZ Operator Permit and MFEZ Developer License from the comfort of their homes or offices. With this development, the Agency is phasing out the physical registration and will be fully online before the end of quarter 1 of 2024.
2. **Enhanced Investment Promotion:** With the promulgation of Statutory Instrument (SI) No. 47 of 2023 which increases the list of priority sectors, the Agency will leverage on the SI to upscale targeted investment promotion programmes and

missions (inward and outward missions) in the bid to stimulate and attract investments into the country.

3. Make in Zambia Investment Conference (MIZIC): One of the major planned investment platforms is the **MIZIC** scheduled to take place in the fourth of 2024.

4. **Other focus areas include:**

- Facilitate development of Special Economic Zones;
- Virtual deal room;
- Tracking for investments;
- Electric vehicle batteries and battery accessories value chain;
- Renewable energy; and
- Promote Climate Smart Investments.

5. **Upscale Export promotion and Development:**

- The Agency is increasing the number of Trade Missions into the Democratic Republic of Congo (DRC). As you may be aware, DRC is Zambia's largest market for nontraditional exports;
- Participate in trade fairs in regional markets such Angola;
- Enhance participation of Zambia in the Africa Continental Free Trade Area;
- AGOA market;
- China; and
- Middle East.

6. **Business Development Services: Beef and crop zones Key**

- **Create beef and crop zones for domestic and export markets**
- Development and promote cotton, leather, and beef value chains
- Facilitate product development for domestic and export markets;
- Market linkages and facilitation of partnerships and joint ventures; and
- CDF packaging of value chains and projects.



7. **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 and facilitate trade and investment for wealth and employment creation.

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, God bless you and our great nation Zambia.