

JAPAN-AFRICA BUSINESS FORUM

HOW TO SUCCEED IN AFRICA: UNLOCKING GROWTH AND OPPORTUNITIES IN AFRICA

















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Risk Factors

- Risk of losing investment constitutes one of the biggest concerns for investors;
- African countries are seen s risky because they are distant, remote and unknown to those with capital;
- Uncertainty of political stability due to frequent wars and changes in political leadership;
- Uncertainty due to inconsistency policy framework

- Lack of legislation to protect investment;
- Foreign exchange restrictions and uncertainty due to exchange rate deterioration/fluctuation;
- Lack of or low technology and poor work culture;
- Poor or inadequate infrastructure including roads, rail, telecoms, storage facilities;
- Land tenure due to uncertainty of land management legislation;
- Slow public service or poor responsiveness.

Risk Mitigation

- Overall change;
 - Most African countries have changed considerably over the last 20 years and faster in the last decade;
 - All African countries are members of AU which enforces a code of behave;
 - * African countries belong to one of the six (6) Economic Communities which have code of practice, e.g. SADC and COMESA;
 - African countries have established constitutional provisions and investment based on specific legislation

Securing Investment: The case of Zambia

- Encouraging private sector-led investment, Private-Sector;
- Joint Ventures between local people and Japanese;

Investors, as well as Public–Private Partnership, where these can best serve private sector investment needs;

- Promoting <u>Value-Addition</u> to its several natural resources/raw materials in areas with advantageous endowment;
- Having specific Laws which have been established through the regulatory and supportive institutions:
 - Zambia Development Agency (ZDA)- ACT 2006 (for Foreign Direct Investment and Private Sector)
 - ✓ Citizens Economic Empowerment (CEEC) ACT 2006.

Safety of Foreign Direct Investment (FDI)

- Constitutional guarantees and protection;
- Supportive Subsidiary Legislation. Protecting specific investment though "Investment Promotion and Protection Agreement (IPPA), which is later issued as Statutory Instrument(s) by Government.
- Open Forex exchange Policy –without restriction if forex was brought in.
- Incentives, including Duty –Exempt Capital Equipment Importation

*Corporate Tax Exemption

-100% up to 5 years

-50% up to 8 years

-75% up to 10 years

- Zero Tolerance for Corruption and Fraud.
- Well-proven /and Observance of all Human Rights, Inclusive growth and constitutional provisions for peaceful change of democratic Government, which respects previous Government's decisions, except where fraudulent transactions were involved.
- Has had no civil violence or disorder, let alone civil war.
- Always honoured all International Obligations

- Youthful population
 - 84% up to 35 years
 - ✓ 68% up to 25 years;
- Millions youth seeking productive work
- Some readily available Industrial Infra-structure;

Benefits

- Land and water availability;
- High payback and Internal Rate of Return (IRR);
- Free foreign exchange management

Conclusion

YOU HAVE AN OPPORTUNITY TO COME AND INVEST SAFELY IN AFRICA AND ZAMBIA

THE INVESTMENT OPPORTUNITY WINDOW DOES NOT LAST FOREVER.

SO COME NOW.





THANK YOU