

“Investment and Trade Opportunities in Africa”

Chairman,

I am greatly honored and privileged to be here among so many eminent citizens of the State of South Carolina. I would like to confess that your warm reception and the warm weather here, have had an immediate therapeutical effect on me as I recover from the flu I had last week. I must say that it is great to be here in South Carolina.

Chairperson, Africa is a unique continent with enormous natural resources that are yet to be exported. The continent has fifty-four (54) different countries and each of these countries presents enormous challenges and opportunities for investment and trade relations with the rest of the world. With a population of 750 million, Africa is a market that cannot be ignored. It is indeed, the final frontier for investment and trade. To all intents and purposes, it is the place to do business.

As we meet to exchange views and ideas on matters of trade and investment between Africa and the United States of America, I wish to mention that for a long time now, there has been a misconception about Africa’s importance in the world economy. But I wish to submit that Africa can contribute immensely to the global economy.

You are no doubt aware that many African countries are enjoying peace and stability and that, most African leaders have clearly demonstrated their commitment to democratization and free-market principles.

The other factor in favour of increased foreign investment is the fact that Africa has, once again, embraced plural political systems. Thus; the principles and norms of good governance are being observed. To this end, many governments on the continent have established commissions to deal with such anti-social vices as corruption, money laundering, drug dealing, and trafficking – to mention a few. In the case of Zambia, these commissions were established during my tenure of office as President. As you can see efforts can be made by African governments to create a conducive atmosphere for direct foreign investment.

Chairperson, considering the foregoing, there can be no doubt Africa is ready for serious investment – both local and foreign. It was with this in mind that many African countries welcomed the American legislation entitled “African Growth Opportunity Act (2000).” By this legislation, America has undertaken to encourage American business people to invest in Sub-Sahara Africa while at the same time making it possible for African goods produced by Africans to have access to American markets. Access to American markets is important but Africa can only utilize this opportunity fully, if she is able to produce quality goods.

The Challenge I wish to make to the business people in South Carolina and indeed the United States of America is to seriously consider engaging in trade and investment with African countries. There are many fields in which we need to work either in partnership with

American and other investors or to allow other investors wishing to undertake business ventures to do so on their own. In the case of Zambia these include the following sectors:

- I. *Mining.* Zambia is one of the five major producers of copper and the largest producer of cobalt. Mining accounts for about 75% of Zambia's export earnings. The country has produced other mineral products: silver, zinc, lead, gem-quality emeralds, amethyst, coal, gold, selenium, and lime stone. We also have reserves of phosphate and iron ore. There is room for foreign investors in mining.
- II. *Agriculture.* This is a sector with enormous potential. It contributes a substantial amount to the Gross Domestic Product (GDP). It has been estimated that 75% of the working population are engaged in agriculture although at the moment most of them are subsistence farmers. With virgin arable land, this industry has been underdeveloped and thus needs serious investors. Ranching is another area open to investors.
- III. *Tourism.* Zambia has many magnificent scenic tourist resorts some of which are yet to be developed. There are opportunities for investors in the hospitality industry.
- IV. *Manufacturing.* In the past ten years, the manufacturing base in Zambia has suffered tremendously as a result of mindless privatization or policies, which rendered our products uncompetitive to foreign goods. The opportunities in the manufacturing industry are limitless. We need investors to come to Zambia to set up factories and in the process make profits on their investment. Investment in the manufacturing industry will create many jobs for our people.

Mr. Chairman, I believe that we need to work together to build bridges of understanding and cooperation between African countries and the United States of America. This will help us understand each other better and thus enhance our ability to promote relations between America and Africa. At the beginning of my presentation, I mentioned that each of the countries on the continent do offer enormous challenges and opportunities. I wish to state that in the case of Zambia, investment opportunities are abound due to the following factors:

- The country's strategic location in Southern Africa, sharing borders with eight countries (Angola, Botswana, Democratic Republic of Congo-DRC, Mozambique, Malawi, Namibia, Tanzania, and Zimbabwe). These countries are among the regional consumer market of Southern African Development Coordination, SADC, and the Common Market for East and Southern Africa, COMESA, with a total of 320 million people.
- Road and railway infrastructure which link Zambia to the ports of Dar-es-Salaam, Beira, Benguela, Walvis Bay, and the ports of Durban and Port Elizabeth in South Africa.
- Cheap electricity due to abundance of hydro-electric power sources.
- Availability of vast tracks of arable land.

- A lot of sources of water supply in most parts of the country
- Abundant labour force of skilled and semi skilled workers.
- Appropriate legislation to enable investors conduct business in a conducive atmosphere or to remit their profits if they wish. I wish to mention that a conducive legal and regulatory framework for investment and production of goods and services does exist in Zambia and indeed in many other African countries.

Mr. Chairman, Africans are determined to achieve sustainable economic and social development. This commitment was clearly demonstrated in the new initiative contained in the New Partnership for Africa's Development (NEPAD) proposed by South Africa, Nigeria, and Senegal, which African Union endorsed in July 2002. By this document African leaders committed themselves to democracy, peace and fight corruption among other sectors. NEPAD constitutes a homegrown initiative to put Africa's resources into development.

Chairperson, while it is extremely important that we must talk about the issues of trade and investment, we would, however, not forget the challenges to productivity posed by the scourge of HIV/AIDS. This is a very serious matter that has affected many countries in Africa. We need your help to fight this pandemic. In the case of Zambia, it affects 15-49 year age group, which is the most productive. I must mention here that poverty and illiteracy are the key factors in the spread of HIV/AIDS.

In an effort to make a difference, I established an organization known as, the Kenneth Kaunda Children for Africa Foundation two years ago. Part of what the Foundation is doing is to support orphans in the five schools we are running. Although the orphans live with their guardians, often grandmothers who are unable to provide for them, we do provide them with breakfast and lunch every school day.

We are also running a small clinic where orphans and people living with HIV receive treatment and care. The cost of running the schools and clinic is so high that the Foundation, which relies on donations, is finding it difficult to cope. We need your support. Your donation can make a difference for a child in Zambia and indeed else where in Africa.

Chairperson, I have brought in the issue of HIV/ AIDS because we all have a moral responsibility to help those in need. It is also important to bear in mind that if we can not look after our people today, there will be no labour force tomorrow to carry the development programmes we are discussing today. HIV/AIDS poses a serious challenge to Africa's efforts to attain sustainable development.

Mr. Chairman, we live in an interdependent world. Resources and skills pass from one person to another and benefit societies. What happens in one place affects other places in a negative or positive way. Even through the sad example of Apartheid in South Africa, we have found that however people may try to avoid this fact, artificial divisions cannot stop the advancement of human relations. Slavery and colonialism have greatly affected Africa's

people and economies – but we strive to move on and take our place as a core part of humanity. We have also found lessons about a common humanity through the challenges of the present HIV/AIDS pandemic. Yes, we are our Brother and Sister's keepers.

The Bible says Love thy neighbour as thyself. The neighbour the Bible talks about need not be of your nationality, race, colour, creed or religion. It is any person that needs your help. This Devine teaching which we must adhere to in order to enhance peace and harmony in our one world.

Let us do everything possible to enhance a deep understanding of Africa in America and to promote trade and investment between our two continents.

I thank you.