



Emmanuel T. Chenda

EDITORS' NOTE *The Honorable Emmanuel Tawana Chenda is a member of Parliament who studied accountancy and finance before serving as Lusaka City Council's City Treasurer beginning in 1986. He served as Town Clerk of Ndola City Council from 1991 to 2001, and then as Minister of Agriculture and Livestock and Minister of Commerce, Trade and Industry before he assumed his current post. He has also served as a chartered arbitrator and mediator, as well as a negotiating team chairman.*

MINISTRY BRIEF *The Ministry of Local Government and Housing (MLGH; mlgh.gov.zm) promotes a decentralized and democratic local government system in Zambia and facilitates the efficient and effective delivery by local authorities and other stakeholders of the quality housing, infrastructure, and social services necessary for sustainable development.*

President Michael Sata moved you from the Ministry of Agriculture and Livestock to the Ministry of Commerce, Trade and Industry and to your current position. Have the transitions been smooth?

My transition from the Ministry of Agriculture and Livestock to the Ministry of Commerce, Trade and Industry was certainly smooth. When I arrived at the Ministry of Commerce, Trade and Industry, I found that the Ministry had already realigned its programs and strategies with the priorities of the Patriotic Front (PF) government.

I was familiar with the policy positions of my party on Commerce, Trade and Industrial development matters and it was, therefore, mostly a matter of picking up from where the previous minister, Hon. Robert Sichinga, left off. I must admit that, during my initial time there, I had a lot of work to do to assimilate the concepts and terminologies of Trade and Investment policies and negotiations. Each sector has its own professional jargon and way of looking at things. This was a bit of a challenge. However, I have received

Zambia's Economic Reforms

**An Interview with The Honorable Emmanuel T. Chenda,
MP, Minister of Local Government and Housing, Republic of Zambia**

tremendous cooperation from the technocrats in the Ministry, which has greatly assisted me in the transition.

I have found the same support in my transition to the Ministry of Local Government and Housing.

What programs did you focus on at the Ministry of Commerce, Trade and Industry?

Hon. Sichinga instituted many changes when he was assigned as Minister of Commerce, Trade and Industry. Most of these changes were consistent with the PF manifesto. We have been able to implement the changes because they represent a government-wide view of what this Ministry should be doing. I definitely differ from Hon. Sichinga in terms of style, and perhaps where we weigh in most in terms of defining policy.

My key interest has been job creation. It is the platform on which the PF government was elected, and I believe the Ministry of Commerce, Trade and Industry is well-positioned and critical to the government's job creation agenda. The creation of a conducive environment for business to grow and prosper is, therefore, extremely essential to me.

So my energies were focused on implementing reforms that are aimed at improving the competitiveness of the country's industries. These include business regulatory reforms targeting the business licensing regime with a view to make it business friendly; measures aimed at increasing access to finance through micro, small, and medium enterprises; facilitating value-chain clusters using citizen empowerment initiatives, particularly for rural Zambia; reviewing and improving the public/private partnership framework; and accelerating the implementation of the special economic zones for manufacturing and value addition.

The cabinet recently approved the National Strategy for Industrialisation and Job Creation, a comprehensive outline of the steps we are taking as a government to create jobs. My interest was to ensure that we work hard to implement that strategy and create at least one million jobs over the medium term. The opportunities in the Agriculture, Tourism, Construction, and Manufacturing sectors have given me confidence that this is an attainable target.

In 2010, the World Bank named Zambia one of the world's fastest economically reformed countries. What does this mean for Zambia?

The naming of Zambia as one of the world's fastest economically reformed countries is welcomed and much appreciated. We have continued to steadfastly implement pro-business reforms through relevant policy and regulatory reforms. The recognition is also a reminder that we exist in a highly competitive global environment where nations compete for foreign investment, and such rankings do play on the mind of investors. The country needs foreign investment to achieve its job creation targets.

We are, however, cautious not to go down the road of over-competing for foreign investment and, in the process, losing sight of the fact that the most sustainable source of investment are our citizens. Sometimes, this presents conflicting positions. My view has always been that we should find a balance between our appetite for foreign investment and promoting and protecting local investment.

We have, therefore, put an emphasis on joint ventures between foreign and local entrepreneurs and public/private partnerships. Ultimately, real success is in how the things we do as government positively impact the lives of our citizens.

The recognition as one of the world's best reformed countries is also a reminder that Zambians can be good at what they set out to do, and compete with the best in the world. Therefore, Zambians and our government need to work harder to ensure that whatever we are doing to develop this country, we must be the best at it.

Much of Zambia's growth has been a result of foreign investment in the country's mining sector and higher copper prices on the world market. This has increased investor confidence in the country. How do you intend to further encourage this?

First and foremost, my country has been trying to diversify its economy from dependence on a mono product – copper – to other raw and finished products, and tourism services. However, we have acknowledged that the mining sector will continue to be an important contributor to foreign exchange earnings, as well as job and wealth creation in our country.

We intend to continue implementing prudent economic policies aimed at making the mining sector competitive, and that will lead to increased investment and output. Furthermore, we are strengthening our laws to ensure that the benefits of the vibrant mining sector accrue for Zambians.

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We are now adopting strategies that will make our competitive advantage in mining production a driver for diversification. We are emphasizing value addition to minerals mined in our country. We see mining as a platform for greater diversification. Previous approaches to diversification have aimed at moving away from the mining sector altogether. Now we are paying attention to the role mining can play in the industrialization of the country.

The Zambian government is pursuing an economic diversification program that exploits other components of Zambia's rich resource base by promoting agriculture, tourism, gemstone mining, and hydropower. Would you tell us more about this initiative?

Since the late 1980s, we have embarked on a diversification program to shift from dependence on traditional mining (copper and cobalt) to nontraditional products (NTEs). This is both in terms of domestic production and exports.

In our efforts to promote NTEs, we have embarked on policies and programs at different levels to promote production and growth in the specified sectors of agriculture, tourism, nontraditional mining, hydropower, and other goods and services. This is in recognition of the fact that minerals are a dwindling resource, and we need to develop our productive capacities in other areas to meet the needs of our domestic markets and trading partners.

The diversification program is anchored on the following pillars: export promotion and market development aimed at diversifying our export base, i.e. diversifying the export products and markets; investment promotion aimed at

attracting, facilitating, incentivizing, and retaining investment (both domestic and foreign) into identified priority sectors, not including the traditional mining sectors; micro, small, and medium-enterprise development; and awareness of the important role that MSMEs play and will continue to play in the economy. This is aimed at facilitating their growth, and the areas are not necessarily linked to mining; and creating multi-facility economic zones in which all of the relevant facilitation is provided for production of goods and services, for the domestic and foreign market.

It should be noted that value-added products from the mining sector are an important aspect of diversification. An important area that we are promoting is value addition to our primary products from every sector. In the agricultural sector, for instance, we are promoting agro processing. In tourism, we see ourselves developing other aspects of tourism apart from the traditional visits to our Victoria Falls and

game parks. We want to enhance our cultural and ecotourism opportunities. Furthermore, we want to open up other areas for tourism apart from Livingstone, such as the Northern circuit, and we are working towards promoting all of the tourist attractions.

We therefore have a huge agenda on diversification, and while we have begun to see the fruits of some of our labor – such as increasing the volumes and values of non-traditional exports – we know that we still have a lot of work to do. NTEs have grown from \$730 million in 2006 to \$2 billion in 2012. We are now exporting significant quantities of products such as cement and lime, cane sugar, wheat, tobacco, gemstones, and fresh fruits and vegetables.

We are, therefore, confident that the diversification program is bearing fruit.

As a country that was badly hit by the global financial crisis, how is Zambia faring today?

We were affected by the financial crisis, particularly from an investment inflow and foreign exchange earnings point of view. Zambia as an export-oriented economy was negatively affected primarily in terms of our exports. This was mainly attributed to

the negative changes in global prices of our key export commodities, such as copper. However, the country fared relatively well during the crisis period. This is evidenced by the average Gross Domestic Product (GDP) growth rate of 6.5 percent over the 2008 to 2010 period.

Today, Zambia is in a much stronger position. Most of the global commodity prices for the country's exportable products have since recovered, although they are still lower than the pre-financial crises period prices. The country's economy has been steadily growing and is on track. The country has been growing at a higher pace post-financial crisis. In the period between 2010 and 2012, Zambia's GDP has been growing by an average of 7.1 percent, which compared to most economies in the world is a very good growth rate.

Zambia co-hosted the UNWTO 2013 General Assembly in August 2013. Did you get the reception you anticipated?

The reception at the UNWTO 2013, which was co-hosted also by Zimbabwe, was beyond what was originally anticipated. The event was attended by delegates from over 147 countries. The Assembly was attended by about 1,000 delegates, making it the highest attended UNWTO Assembly in the history of the UNWTO.

As a result of the good attendance at the Assembly, we have exposed not only Victoria Falls to the world but also Zambia's tourism potential. It is expected that the approximately 1,000 delegates that attended the Assembly will advertise Zambia to others, and will also consider coming back to sample more tourism products. ●

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