

STATEMENT BY HONOURABLE KEITH MUKATA, MP
DEPUTY MINISTER OF COMMERCE, TRADE AND INDUSTRY OF THE REPUBLIC OF ZAMBIA
AGOA CIVIL SOCIETY ORGANIZATION CONCLAVE
CRESTA GOLFVIEW HOTEL
LUSAKA, ZAMBIA
5TH JUNE 2012

The representative of the United States Embassy in Zambia,
The Board Chairman of Consumer Unity and trust Society, Ambassador Love Mtesa,
The Manager for Economic Justice for Caritas, Mr Edmond Kangamungazi,
Representatives of the Zambia Development Agency,
Representatives of COMESA,
Representatives of United States Agency International Development,
Members of the print and Electronic media,
Distinguished ladies and gentlemen

It is with great pleasure that I join you today as we prepare for the AGOA Forum next month and the trade and investment mission to the United States of America. I would like to take this opportunity to thank the Consumer Unity and Trust Society for organizing this important workshop to discuss and reflect on the current developments between Zambia's trade relations with the United States of America under the AGOA. It is my sincere hope that the outcome of this important gathering will inform and help shape the direction which Zambia has to take noting that the Third Country Fabric provisions will expire in September 2012 and the Current AGOA provisions will expire in 2015.

Let me reiterate that my government recognises the important role that CSOs play in the development process of this country. As partners in development, the voice of CSOs in our international engagement is very key in reinforcing country positions in pushing for the development agenda and the interest of the country forward. I am well aware that preparations for the AGOA forum have reached an advanced stage and this gathering is being held at the right time. I would like to implore you all participate in the civil society

segment of the AGOA Forum scheduled to take place in Washington DC from 12th to 13th June 2012.

Distinguished Ladies and Gentlemen,

As you may be aware, my government has prioritised the issue of job and wealth creation, which will uplift the lives of the Zambian people. This can only be realised when we translate the economic growth which we are currently experiencing as a country into sustainable development which will in the long run address the problem of unemployment especially among the youth.

Therefore, my government is committed to ensuring that Zambia moves away from being mere producers and suppliers of raw materials to producers of value-added finished products. And that is why initiatives such as the AGOA which seeks to give preferential market access to sub-Saharan African countries are key to the realisation of this goal. My government will remain steadfast in ensuring that we take full advantage of the beneficial trade arrangements in order to boost our exports and thereby attracting more investments both foreign and domestic leading to more employment creation in the various sectors of the economy.

Distinguished Ladies and Gentlemen

I note with concern that trade figures between the two countries are quite low, for instance in 2011 exports to the US from Zambia stood at a mere \$47.3 million while imports stood \$129 Million. These clearly are not the desirable figures that a developing country would want to have with a big economy such as the United States of America.

I do understand that Zambia has benefited from AGOA in other, less direct ways. For example, it has exported cotton yarn and chilli peppers to South Africa, which manufactures there have used as components in products exported to the US under AGOA. While this is positive, Zambia's gains from AGOA would be much greater if ways could be found to transform these inputs into finished products in Zambia.

Distinguished Ladies and Gentlemen

The above scenarios therefore dictate that as a country we adopt an aggressive approach to be able to maximise the market opportunities that AGOA offers. As government we are committed to facilitate, create conducive environment and remove barriers to trade which will ensure that trade between Zambia and the US thrives. The onus therefore is on you, the Civil Society to take the lead in your advocacy work to ensure that Zambia moves away from being producers of raw materials to being producers of finished products and take full advantage of the United States market and other regional and international markets with less or no trade restrictions.

Let me take this opportunity to share with you some of the strategies we have employed as government in boosting two way trade and investment between Zambia and the United States of America.

The Zambian and United States governments decided to improve both the trade and investment outlook by working together under the framework of the bilateral working group on AGOA, Trade and Investment. The working group was established in May 2010 with the objective of exploring ways to increase and diversify two-way trade between the United States and Zambia. At the same time, the working group is charged with the responsibility to identify and address the challenges that hinder the flow of trade with a view to expand and diversify exports as well as promote investment between Zambia and US.

Currently, there is a work plan which was endorsed at the bilateral Ministerial meeting with the US Trade Representative Ambassador Kirk in Washington DC in August 2010 and is currently being implemented and undergoing revision to take into account the changes that have taken place in terms of focus and priority.

All these efforts are aimed at strengthening the trade and investment opportunities which are critical in generating the necessary and sufficient conditions in order to boost tangible economic ties between the two countries.

Distinguished Ladies and Gentlemen

Zambia as you may be aware is the current chair of AGOA having successfully hosted the forum last year in June. This month we will be handing over the chairmanship to Ethiopia during the 11th AGOA session which is scheduled to be held from 14th-15th June.

In order to take advantage of our presence in the United States of America, my Ministry will lead a high level trade and investment mission to six cities namely Los Angeles, Washington DC, Cincinnati, Houston, Atlanta and Boston. The mission will comprise selected government ministries and agencies, major corporations and the wider private sector players. The purpose of our mission will be to strengthen the trade and investment relationship between the US and Zambia. The mission will therefore seek to increase Foreign Direct Investments, Trade, skills transfer and forge partnerships through joint ventures between the two countries. The mission will be focused in the following sectors namely: Agriculture, mining, energy, infrastructure and manufacturing.

In conclusion, I wish to stress that this mission is very important and key in our relations with the US. My government is determined to ensure that the role that civil society plays supports and complements national efforts and is directed towards enhancing productivity through value addition and job wealth creation.

I thank you all and wish you fruitful deliberations.