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## Get to know us, Zambia says

By Kristi Heim

*Seattle Times* business reporter

Even for a country with a relatively stable democracy and growing economy, Zambia hasn't had much luck finding Americans willing to invest there.

Zambian President Levy Mwanawasa said he hopes to change that by introducing more Americans to his country and fighting the stereotype of Africa as a place defined by war and chaos.

Speaking to local business leaders Monday, Mwanawasa said Zambia has become a center of peace and prosperity in the region. The country has emerged from a long period of economic decline to achieve an average annual 5 percent growth in gross domestic product for the last five years.

"It's the first time the country is experiencing such strong positive results," the Zambian leader said, adding that sustaining the success could bring about an economic transformation to improve the lives of ordinary people.

The landlocked country of 12 million people in southern Africa still suffers from high unemployment and crippling poverty, with about 68 percent of the population falling below the poverty line of \$1 per day.

Zambia has taken a strong stance against corruption and created a foundation based on the rule of law and respect for private property, Mwanawasa said.

The country's main industries are copper mining, agriculture, manufacturing and tourism.

A former British protectorate that gained independence in 1964, Zambia is encouraging more foreign direct investment and growth of the private sector to help reduce poverty.

"When you invest in Zambia, you're putting GDP in the pockets of Zambian people," Mwanawasa said.

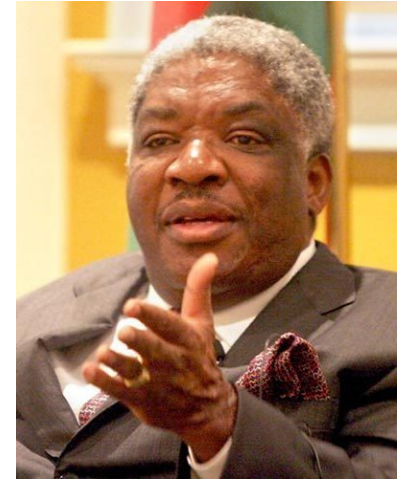
Mwanawasa, 59, was in the United States for a meeting of the U.N. General Assembly. He traveled here at the invitation of the Seattle-based Initiative for Global Development, a national network of business leaders promoting policies to end global poverty.

He and a delegation of senior government officials and business leaders were scheduled to visit the Bill & Melinda Gates Foundation, PATH, Microsoft, Boeing and Starbucks on Monday.

Mwanawasa said he had dinner Sunday at the house of former Microsoft executive Paul Maritz, a Zimbabwe native who lives on Mercer Island.

While Zambia has had a rush of investment from China recently, attracting U.S. business has been an uphill battle.

On previous visits to the U.S., "the response hasn't been encouraging," Mwanawasa said.



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## Get to know us, Zambia says *continued*

"So far Africa has been known only for the bad news," said Felix Mutati, Zambia's minister of commerce. "In Africa, we've got problems with HIV/AIDS, malaria and other diseases," he said, "but we're not a diseased country."

In Zambia, the Gates Foundation funds a malaria-control program run by PATH that aims to cut malaria cases by 75 percent and become a model for the rest of Africa.

Zambia has introduced incentives to encourage foreign enterprises, such as tax-free profits for the first five years and duty-free imports of capital equipment, said Mutati.

Energy, IT infrastructure, agriculture and eco-tourism are promising areas for development, he added.

"We don't want help," Mutati said. "We want investment. We want partnership."

Zambia's slide into poverty began after world copper prices fell in the 1970s. Since then, the economy has become somewhat more diversified, even as the price of copper has climbed.

The government began privatizing the copper industry in the 1990s. Copper contributed 75 percent of the GDP in 2002 but only about 45 percent last year, said Mutati.

Asked about the political and economic crisis in neighboring Zimbabwe, Mwanawasa called the situation "extremely worrying" but added that economic sanctions will not help.

He threatened to boycott a European-African summit meeting in December if Zimbabwe President Robert Mugabe was excluded, saying Western leaders must be willing to talk to the leader widely considered an international pariah.

The chaos in Zimbabwe has choked off tourism, diverting more visitors to Zambia to see Victoria Falls, the spectacular milewide waterfall on the border between the two countries.

With room for only about 1,500 visitors, hotels in nearby Livingstone can't cope with the influx, Mutati said. Its tiny airport, which had just a few flights a week three years ago, has 28 flights a week now. Several new hotels are under construction.

While Chinese companies have been criticized for labor practices in Africa, overall the influx of investment from China has been a good thing, Mutati said.

Cautious Western companies have hesitated too long. "They would go on their computers and do spreadsheets about risk," he said, while "the Chinese make a decision first."

Chinese have invested \$900 million in Zambia for two economic zones focused on copper and agricultural processing, creating 60,000 jobs.

"Now we can see the West is saying we must run to Africa because if China dominates Africa, that sphere of influence can become critical as we go forward," Mutati said.

Zambia also needs American-style business, said Wamulume Kalabo, chairman of the Zambia Association of Chambers of Commerce and Industry.

U.S. companies tend to hire and train local people, with English as a common language. Chinese companies tend to hire their own citizens to work in Zambia's mines and manufacturing sites because of the difficulty of communicating.

"The local people are not seeing the benefit initially," Kalabo said, "because very few of them are being absorbed into the system, and the main reason is the lack of communication."