



Plot 123 Kudu Road, Kabulonga, Lusaka
P.O. Box 50882 / +260211264409
info@zambiataxplatform.com
www.zambiataxplatform.com

PRESS STATEMENT

ZTP CALLS FOR ENHANCED SUPPORT TOWARDS PRIVATE SECTOR DEVELOPMENT

LUSAKA, June 3, 2021: The private sector in Zambia, like in many other developing countries is key to spur economic growth and development. If effectively managed, the sector has potential to address most of the economic challenges that the country grapples with. As a base, mixing human skills and investment, the private sector is critical in transforming people's lives and addressing challenges of poverty reduction, job creation, access to critical goods and services, contributions to government revenues through taxes and ultimately ensuring inclusive growth. However, there is need for the Zambian Government to not only recognize the role of the private sector in economic development but also to create an enabling environment that will enhance the sector's role.

The role of the private sector is cardinal in developing human capital and advancing the provision of infrastructure (such as roads, bridges or hospitals) and social services through public-private partnerships (PPP's). PPP's cushion budget constraints and funding challenges that hinder effective execution of plans and completing projects in time. Private sector initiatives encourage knowledge and technology transfer, research and development (R&D), as well as improving transport and communication for stable and reliable institutional frameworks. Government's recognition of the important role of the private sector led, among other things, to setting national development goals of industrializing the country. The country's vision 2030 targets to realize a fully industrialized economy by the year 2030. The 7th National Development Plan and the National Industrial Policy (2018) both prioritize industrial growth in order to harness opportunities for diversification and value addition. It is without doubt that the country is endowed with natural resources whose value can be enhanced by the development of value chains that effectively transform raw materials into processed goods and this can only be achieved with the participation of the private sector.

The Zambia Tax Platform is a multi-stakeholder group that provides critical analysis of Zambia's tax policy regime, tax administration and promotes sustained advocacy on improving public finance management.

Therefore, it is imperative for Zambia to create a conducive investment climate to foster productive private investment. This would lead to economic growth by creating opportunities for the private sector to create jobs and income generation on one hand, while attracting foreign direct investments (FDI's) on the other. Long-term investment flows, in particular FDI's, are essential in complementing national development efforts that boost productive linkages and overall competitiveness in both domestic and international markets. In view of this, the private sector depicts a shared interest in achieving development outcomes that promote operational efficiency and coverage of local businesses and consequently becomes a key facilitator for private firms and entrepreneurs to invest in new ideas and production facilities.

Further, it is our considered view as the Zambia Tax Platform (ZTP) that the country needs to develop a strong and dynamic private sector as a necessary condition for sustained poverty reduction. The outcomes of this will lead to small and medium enterprises (SMEs) being equally promoted for equitable and sustainable economic development as they provide the seedbed for developing and testing entrepreneurial talent. In Zambia, SMEs represent 97% of all businesses, 70% of gross domestic product (GDP) and 88% of employment (MCTI et al., 2018). To echo this point, without the energy of the private sector, enterprises, initiatives, savings nor private resources, sustainable and inclusive development cannot be achieved. Increasing the support of stakeholders engaged in this sector would help to reduce some of the vulnerabilities of segments of the workforce and youth unemployment.



Issued By

Ellen Makinishi (Ms)
Private Sector Enhancement Expert
Tel: +260211264409
Phone: +260968015985
Email: pse@zambiataxplatform.com
Website: www.zambiataxplatform.com