

AFREXIMBANK TO INVEST US \$80M IN EXPORT FUND OF ZAMBIA – *By Kingsley Kaswende.*

The African Export Import Bank (Afre-ximbank) has approved a US \$20 million investment in the form of a debt facility to the Export Fund of Zambia (EPZ) and will syndicate a further US \$60 million facility for the fund.

The board of the bank agreed at its recent meeting in Namibia recently to support the newly established fund for the financing of non-traditional exports in Zambia.

The EFZ is a US \$100 million fund sponsored by the Export Board of Zambia (EBZ) jointly with Loita Capital Partners International, a regional investment banking institution.

It was launched through a memorandum of understanding entered into between the two institutions in September 2005.

Announcing the investment in Lusaka that Friday, Afreximbank board member, Dr Caleb Fundanga, who is also Bank of Zambia governor, said he was pleased that Afreximbank had seen it fit to endorse the positive macro-economic policies of the government through the ‘sizeable’ investment.

The government of Zambia holds shares in Afreximbank through the Bank of Zambia.

Fundanga said:” In addition to its own investment of US \$20 million, the bank will work with other international lenders to syndicate an additional facility of USD 60 million for the Fund. This is the first such initiative on the continent by the Bank and goes to show its confidence in Zambia’s economy and in particular, its vast potential in the non-traditional exports sector.”

He said he expected the investment to solidify the growth of the non-traditional export sector, which has over the last few years been showing remarkable year on year growth of 15 per cent per annum.

Loita chairman Justin Chinyanta said it was the first time his institution was working with Afreximbank in Zambia, although the two had worked together elsewhere.

“In addition to Afreximbank, we are expecting several local insurance companies, financial institutions and banks to also shortly take both debt and equity positions in the Fund,” Chinyanta said.

Export Board of Zambia executive director Glyne Michelo said he was pleased with the progress made on finalizing commitments in the fund, and that he was looking forward to it getting down to business shortly.

He said lack of export development finance was considered by the majority of export producers as one of the most critical constraints in the development of their operations and a huge obstacle to export promotion in Zambia.