

Caleb M Fundanga: Importance of entrepreneurship in Zambia's economy

Opening remarks by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the Prize-Giving Ceremony for Intermarket Banking Corporation VentureComp 2010 Business Plan Competition, Lusaka, 28 July 2010.

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- **Mr Ackim Sinkala, Acting Managing Director – Intermarket Banking Corporation Zambia Limited and Intermarket Securities Limited;**
- **Mrs Beatrice Nkanza, General Manager Lusaka Stock Exchange;**
- **Dr. Maurice Jangulo, Board Chairman Zambezi Airlines;**
- **Dr. Patrick Nkanza, Director General TEVETA;**
- **Officials from the Ministry of Science, Technology and Vocational Training;**
- **Chief Executive Officers of Financial Institutions and Companies Present;**
- **Distinguished Invited Guests;**
- **Members of the Press;**
- **Ladies and Gentlemen.**

It is my honour and privilege to officiate at this Prize Giving Ceremony of the VentureComp 2010, K100 Million Business Plan Competition. I was honoured at the beginning of this year to have been given the opportunity to launch this Competition. I did not hesitate to accept the invitation to officiate at this event as the subject of entrepreneurship and the deserved recognition of the entrepreneurial efforts of young men and women is very close to my heart.

Distinguished Guests, let me from the onset take this opportunity to commend the sponsors of this competition, Intermarket Banking Corporation Zambia Limited, Intermarket Securities Limited, and their partners, Lusaka Stock exchange (LuSE), Zambezi Airlines and TEVETA for coming up with this excellent and important initiative. It is gratifying to note that applications were invited from all eligible students in various higher institutions of learning around the country. I have also been informed that although only four teams have been shortlisted, the response from the young entrepreneurs was overwhelming with about 75 total applications received. I am certain that the winning team will be worthy winners of the K100 Million Business Loan Sponsorship prize.

Further, I have been reliably informed that the competition will become an annual event and prize money will be increased in future years, which indeed is commendable. I am certain that the award will provide a great incentive to our young men and women to be innovative and develop business ideas. The initiative will also improve the level of entrepreneurship in the country which is lacking at the moment. **Mr Chairman** I once again applaud you and your co-sponsors for this long term commitment to this award programme.

Distinguished Ladies and Gentlemen, allow me at this moment to highlight the importance of entrepreneurship in our economy. Entrepreneurship involves developing innovative ideas, taking risk and managing the business in a sound manner. In these turbulent times and with an increasingly competitive global market, it is vital for a country like ours to have a good entrepreneurial base which should contribute to wealth creation and to the country's economic development. The need for more Zambians to own successful businesses and compliment foreign investments in our country cannot be over-emphasised. It is imperative that a lot more local businesses engage in economic sectors like mining, manufacturing, construction and tourism in order to effectively contribute to the country's economic development. This can only be possible through innovation and risk taking by indigenous companies with the potential to grow and succeed not only in Zambia but also in international markets.

Moreover, entrepreneurship can play a central role in assisting our country meet the various challenges that it faces today. For instance, entrepreneurship can assist in addressing the challenges arising from:

- Low levels of employment;
- Social exclusion;
- Low levels of competitive products and services in the economy; and
- Urbanisation and rural poverty.

In order to minimize the adverse effects that arise from these challenges, there is a need to both sustain a high level of entrepreneurial activity in general and to maximise the number of new businesses that are innovative, and that aspire to, and are capable of achieving significant growth. However, if we are to build a much greater number of competitive and innovative businesses in Zambia, then we will need to see many new businesses being created now and in the years ahead. We need to ensure that the culture of entrepreneurship becomes embedded in all our people at a very young age. The education and training sector will play a critical role both in developing entrepreneurial mindsets and in equipping future entrepreneurs with the skills necessary to successfully position new enterprises and manage their development and growth.

Ladies and Gentlemen, it is a fact that a thriving entrepreneurial culture has the potential to make a substantial contribution to our economic and social development and to achieving a balanced economic growth. The key therefore, is for businesses to be innovative and competitive at all times. To achieve this we need to develop outstanding young men and women who can be leaders in their fields and who are ambitious with a mindset to be successful and to compete at the highest level.

Mr Chairman, I have no doubt that awards like yours can be hugely influential in fuelling the entrepreneurial urge and in inspiring youths to emulate the achievements of those whose enterprising dreams will be rewarded this evening. The award will also be key in raising public awareness on the need for continuous innovation among our youths. As you are aware, the engine of the fast growing economies such as China and India is the innovation and creativity of the young entrepreneurs in those economies. It is incumbent upon us therefore to also encourage our youths to take up their rightful place and contribute to the country's development.

Furthermore, banks and Financial Institutions in Zambia have in the past lamented the low levels of banking and economic knowledge among graduates from tertiary institutions as well as the borrowing public in general. It is therefore gratifying to note that this evening, we celebrate and showcase the depth of the entrepreneurial talent that is flourishing in our schools of higher learning. It is also heartening to see these young men and women putting up high quality business proposals of a diverse range of projects. This speaks well for the inventiveness of our learning institutions and is a very welcome development indeed.

Ladies and Gentlemen, this initiative represents a major milestone in developing linkages between the industry and tertiary institutions which is key in bridging the gap between expectations of employers and those of the labour force. It is also testimony that we have financial institutions and business entities that are willing and committed to promoting private entrepreneurship among young people in our country at the level of start-up businesses.

Once again, I commend the sponsors and their partners for this important initiative. I am certain that your efforts will go a long way in contributing to the building of an entrepreneurial society in Zambia. This is a task not only for you but for everybody. I wish to urge in particular, the education system in Zambia to enhance their efforts in promoting positive attitudes towards entrepreneurship in the institutions of higher learning. I further call on the media to play its rightful role in educating the masses and the youth in particular on the

importance of entrepreneurship and indeed to give more coverage to Zambians who have succeeded in entrepreneurship in order for our youths to be motivated.

I also wish to urge other banks and financial institutions to emulate Intermarket Banking Corporation to develop such well meaning initiatives for this is indeed good Corporate Social Responsibility. I am sure that there are a number of entrepreneurs all over Zambia who are in dire need of that seed capital as well as the initial push to realize their dreams. I have in mind here the very innovative entrepreneurs in Mutendere, Kalingalinga, Garden Compound, Mandevu and several other industrial clusters in our country who are trying to do their best but lack the necessary support in form of finance and education.

As I conclude, I wish all the teams that have been shortlisted tonight continued success in future. Unfortunately, there can be only one winner of the overall award but each nominee is already a winner and should feel proud of their nomination and deserving of recognition and our congratulations. I hope that all of you whether you win the award or not will develop your businesses ideas into a reality in future. To the winners, I heartily congratulate you and urge you to make the best use of the K100 Million Prize. Being the first winners of this competition also carries with it the responsibility for you to implement your business plan successfully and set a high standard for subsequent winners in the years to come.

I thank you for your attention!