



REPUBLIC OF ZAMBIA



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Permanent Mission of the Republic of Zambia to the United Nations

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*Media Statement*

*For Immediate Release*

**Bond oversubscription proves investor-confidence in Sata Government, says D/Minister...as Wall Street Journal puts Zambia above Portugal**

NEW YORK, Saturday, September 15, 2012 – Zambian Finance Deputy Minister says the oversubscription of the country’s inaugural international bond, which resulted in realisation of US\$750 million, underscores “huge investor-confidence” in President Michael Sata’s Government.

And *The Wall Street Journal*, one of the world’s most respected dailies that attracts top-notch readership, reported that analysts cite Zambia as a “good frontier story”, putting the country’s economic fortunes above Portugal.

Speaking at Deutsche Bank Offices on Wall Street, the world’s most famous financial hub, after Zambia’s successful issuance of an historic US\$750 million bond on Thursday in New York, Finance Deputy Minister Miles Sampa said the bonds carry an unconditional and irrevocable guarantee from the Ministry of Finance.

“This is a big day for all Zambians, the capital market and our infrastructure programmes. Figures don't lie. The huge demand and pricing underscores huge investors’ confidence placed on the country, the President and the PF government,” said Mr Sampa, who led the Zambian delegation on a two-week long road show to woo investors ahead of the bond issuance.

“We had the chance to even get more if we wanted but we are careful to keep our international debt within manageable levels,” Mr Sampa said.

With such “an impressive oversubscription”, the bonds quickly traded up to buoyant levels by close of New York transactions, the deputy minister noted.

“Geographically, allocations were split more to the United States of America that got 60 per cent, Europe 35 per cent and Asia took five per cent,” Mr Sampa explained. “In terms of investor type, asset and fund managers took 80 per cent, banks six per cent, Pension Funds six per cent and others eight per cent.”

Zambia drew orders totaling US\$11.5billion ahead of Thursday's US\$750million debut bond, revealing the depth of demand for exposure to good assets out of Africa.

Mr Sampa said the funds would help Zambia eliminate power blackouts, traffic jams, railway transportation challenges and speed up construction of other infrastructure.

*The Wall Street Journal*, a daily mostly read by policy makers, investors, scholars, diplomats and economic experts, among others, reported that “European Union policy makers should mark [the] sub-Saharan country, Zambia”.

*The Wall Street Journal* reported that Zambia was looking to sell its debut dollar bond at a yield that is “on a par with fiscally-frail developed European economies”.

“Currently, it [Zambia] is looking to borrow money more cheaply than Portugal and only slightly more expensive than Spain,” *The Wall Street Journal* reported, according to an article titled: Zambia Debut Bond Yield on a Par With Europe’s Periphery.

Rather than raise money to support a collapsing economy, Zambia’s money is going to be used for real economic development and growth, *The Wall Street Journal* reported, adding that: “That is something rare in the old developed world”.

The publication highlighted Zambia’s economic growth indicators.

“In stark contrast to the euro-zone’s sluggish growth at best, Zambia’s economy has grown from 6.4 per cent to 7.7 per cent over the 2009 to 2012 period and enjoyed falling inflation, low debt and a stable balance of payments,” *The Wall Street Journal* reported.

Mr Sampa’s team that included Ministry of Finance Permanent Secretary Mr Felix Nkulukusa, Bank of Zambia Deputy Governor - operations Dr Bwalya Ng’andu, Bank of Zambia senior economist Mr Douglas Kalamatila, Ministry of Finance’s Mukuli Chikuba and Dr Francis Chipimo and Ministry of Justice principal legal counsel Ms Ulaya Musonda conducted roadshows in London (United Kingdom) and in the US cities of Los Angeles, San Francisco, Boston and New York. The roadshows attracted over 300 investors.

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***Issued by:***

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