

WORKSHOP REPORT ON ZAMTEL PRIVATISATION HELD AT LUSAKA HOTEL ON 29TH JUNE 2009

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Except of Republican President Rupiah Banda's Speech on ZAMTEL on 24th June 2009, State House, Lusaka, Zambia.

"To resolve the outstanding issues regarding ZAMTEL, I have appointed a committee of Cabinet Ministers chaired by the minister of finance and national planning to manage the process of finding a strategic equity partner and negotiating the conditions for the partnership. The minister of finance will chair this committee by virtue of his being a shareholder on behalf of Government in ZAMTEL.

Page | 2

I found it necessary to appoint this committee after looking at the complexity of the issues facing ZAMTEL, which are quite clearly apparent. Relative to its peers, ZAMTEL is extremely inefficient. The poor operating efficiency can be shown from the following:

- 1) ZAMTEL has abilities in excess of US\$90 million, which have to be sorted out before we invite a strategic investor; staff costs as a percentage of revenues come to 58% compared to 1% for ZAIN (Z) and 4.5% for the MTN Group; Mobile phone subscribers per employee is 108 ZAMTEL, 3,158 for ZAIN and 5, 382 for the MTN Group;*
- 2) ZAMTEL staff numbers are three times higher than ZAIN staff levels, 2,505 against 855 for ZAIN; and ZAIN has 2.7 million Zambian subscribers, while ZAMTEL has about 271,900 subscribers both for mobile and fixed line.*

I have found that the use of small cabinet committees is proving useful and effective in resolving matters of this nature, as the case of Luanshya Copper Mines shows."

1. INTRODUCTION AND BACKGROUND

Privatization refers to the transaction process for the transfer of public assets and enterprises into private hands.

In Zambia, privatization was embedded in the very policy that created the vast state owned enterprises. At that time, it was agreed that state participation and ownership of economic enterprises was absolutely necessary to consolidate the fragile political enterprise and for the rapid economic and social development that the population demanded. State participation in the economy was seen as an interim measure till Zambian nationals had capacity both to raise capital and to manage them.

Page | 3

It is acknowledged that the phenomenal economic and social development that Zambia achieved from Independence to mid 1980s is largely attributable to state participation that created enterprises that produced goods and services and offered employment to the people.

Privatization in Zambia started feebly in 1988 with the establishment of the ZIMCO Committee on Privatization. With the change of government in 1991, privatization was made the principal policy for reform and development. The Zambia Privatization Agency Act was enacted in 1992 to provide the legal and administrative arrangements for the rapid divestiture of the then 150 registered enterprises and tens of [commercial] assets on the books of the state.

Privatization as envisaged under the Zambia Privatization Act had the following objectives, among others:

- to reduce budgetary expenditure in investments and subsidies to loss making enterprises;
- to attract private investments in sectors that had been 'crowded out' by state enterprises;
- to promote competition and improve the efficiency of operations of enterprises;
- to improve management standards
- to create employment and to produce quality products.
- to encourage wide ownership of shares;
- to derive capital incomes for the treasury.

The privatization programme in Zambia was prosecuted robustly so that within a relatively short space of time, from 1992 to 2000, nearly all state-owned enterprises scheduled for divestiture had actually been privatized. Only a few enterprises such as ZAMTEL and ZESCO remained under the ownership of the state.

The reform and adjustment programmes, in which privatization of state enterprises was by far the largest component, coincided with the increase in poverty levels in the country due to loss of employment by many people and the loss of state marketing enterprises for rural products.

It is evident that the Zambian privatization programme was abused by the government, donors, experts providing services to the transaction processes and bidders. It is necessary to recreate the lost confidence and trust before a new phase of the programme can be embarked upon.

The process to win the trust of the public in privatization will invariably start with an objective and conclusive closure report that will highlight lessons learnt from the previous experience and to answer the question whether, all things being equal, privatization has been beneficial to Zambia

There have been mixed reactions to the impact of the privatization programme in Zambia. The international community has commended the programme as highly successful. However, the actual results on the ground are dubious. Furthermore, very few, if any, of the stated objectives of the programme were met.

Privatization in Zambia is credited with rising poverty levels, unemployment, deindustrialization of the economy, reduced national capacity to produce goods and services and high levels of corruption and high death rates.

It is against this inconclusive background that the privatization of Zamtel is being debated.

2. Zamtel Limited:

The Zambia Telecommunications Corporation Limited [Zamtel] was among the state owned enterprises that were originally classified as 'strategic' to await further government consideration on their privatization. However, this classification was soon reversed with the 'no sacred cows' speech by President Chiluba. It remained to timing to determine when an enterprise would be privatized.

Zamtel evolved from the General Post Office, a department of the government ministry responsible for transport and communications, into the Posts and Telecommunications Corporation which operated in the provision of postal and telecommunications services in Zambia. In 1994, the postal and telecommunications units were separated with one unit for posts and Zamtel as a monopoly provider of telecommunications services.

The explosion in the telecommunications technologies since the end of the cold war witnessed phenomenal growth in telecommunications and mobile phone enterprises in the world and the region by both the public and private sectors. In response to the demand for private participation in the telecommunications industry, the government enacted the Telecommunications Act No. 23 of 1994 to allow investments by the private sector and created the Communications Authority to regulate and supervise the provision of telecommunication services in Zambia.

The liberalization of the telecommunications industry attracted private investments particularly in mobile telephony and internet services provision. Notable among the investors in the mobile telephone industry were Celtel Limited, now Zain Limited and Telecel Limited, now MTN Limited. Six enterprises were registered to provide internet services, namely, Africonnect, Microlink, UUNet, Coppernet, Zamnet and Zamtel.

Initially, by deliberate government policy, Zamtel was restrained from adopting the dominant GSM technology and taking advantage of its vast infrastructure to dominate the cellular phone network in the country. The foreign-owned investors in cellular telephony took advantage of this restraint to dominate the country-wide rollout of the lucrative mobile phone services in Zambia since 1994.

Despite ownership of the largest asset base, Zamtel has the least mobile telephone client base of the three telecommunications enterprises. The table below shows the cellular phone subscriber base for each of the three providers:

Table1.

Operator	Subscriber Base	Per Cent Market Share
Zamtel [CellZ]	147 121 ¹	7.1
Zain [Formerly Celtel]	1 729 589 ²	83.3
MTN [Formerly Telecel]	198 498	9.6
Total	2 075 208	100

Source: Communications Authority, Annual Report, 2007.

1. June 2009 : 271 900 mobile and fixed line subscribers [Presidential Press Conference, Lusaka, 24 June 2009]
2. June 2009: 2 700 000 mobile subscribers [Presidential Press Conference, Lusaka, 24 June 2009]

The attractiveness of Zamtel to investors lies in the potential that is represented by its asset base. The enterprise is highly coveted by those that recognize and appreciate its great potential. Zamtel readily fits the description of a sleeping giant. Zamtel owns and operates the following assets:

- [Virtual] monopoly in fixed line telephony with a client base of 93 000 subscribers and covering most parts of the country;
- Microwave towers for relaying voice and pictures;
- The Mwembeshi Earth station that carries all the international telephone and television communications;
- Fixed and mobile assets, including telephone exchanges, residential and commercial buildings;
- [Telephone] directory;
- Mobile telephone network branded as CellZ;
- Internet services provider [ISP].

Zambia's economy and lifestyle depend a great deal on the telecommunication for its economic and social development. In order to achieve this, ZAMTEL plays a strategic and major role. After the liberalization of the Zambian economy, the telecommunication industry saw the coming in of other players in the ICT sector i.e., ZAMCEL then, now ZAIN (Z) and TELECEL then and now MTN (Z). Recent initiatives following the liberalization of the telecommunications sector have targeted reducing dependence on ZAMTEL for the provision of telecommunications solutions as other players in the market have commanded part of the market formerly enjoyed by ZAMTEL. This entails that the monopoly that ZAMTEL used to enjoy in the provision of telecommunication services is no longer there.

The increasing efficiency of the other players in the market with their financial as well as technological muscle, has threatened the very existence of ZAMTEL in the ICT sector. The privatization of most major industries in the Zambian economy, which unfortunately resulted in massive closures of most companies to whom ZAMTEL was providing services has also a negative bearing on ZAMTEL's revenue base. However, it is worth noting that the more efficient and technologically superior companies in the telecommunications industry in Zambia will provide little benefit to the country as a sovereign nation because, private businesses by their nature will generally only consider the 'bottom-line' and not necessarily what is in the best interest of the country.

- **Government Position on ZAMTEL**

It is a fact now that the Government of the Republic of Zambia being the shareholder of Zambia Telecommunications Company Limited, holding the aforesaid company in trust of the citizens has decided the said company for partial privatization.

RP Capital Group of Cayman Island has been carrying out evaluation of the assets and liabilities of the company for some time now with a view to establishing the true value of ZAMTEL prior to partial privatization subject to cabinet approval.

The workshop therefore, was organized to create awareness amongst ZAMTEL NUCW officials both at NEC and Branch levels regarding the pending partial privatization of Zamtel. The workshop was organized by National Union of Communications Workers (NUCW) in conjunction with Friedrich Ebert Stiftung (FES) and Zambia Congress of Trade Unions (ZCTU) as a mother body.

NUCW was created under the Laws of Zambia and has been in existence since 1968, representing workers in ZAMTEL, ZAMPOST, ZNBC, MTN and CAZ. It is a rainbow Trade Union with diverse trade union interests.

2. OPENING SESSION: 29TH JUNE 2009

Chair: Mr. Clement Kasonde: NUCW General Secretary

Speakers:

- Mr. Mukela Muyunda, Managing Director, ZAMTEL
- Mr. Patrick Kaonga: NUCW President
- Ms. Kathy Sikombe: FES Representative
- Mr. Leonard Hikaumba: ZCTU President
- Mrs. Juliana Mwila : Acting Director General, ZNBC

Rapporteur: Mr. Sunday Chanda, Director, Afrika Leadership Development Institute, Lusaka

2.1 Mr. Patrick Kaonga: NUCW President

Mr. Patrick Kaonga welcomed participants from the entire Southern Region to the Workshop. He indicated that it was important to meet as a team but more importantly to appreciate the reasons why the meeting was convened. He paid tribute to Friedrich Ebert Stiftung for its continued support to the labour movement as well as to Zambia Congress of Trade Unions (ZCTU) as a mother body for standing with NUCW during this period of challenges with ZAMTEL.

Mr. Kaonga stated that ZAMTEL employees for the past three (3) years had bargained to stay in employment without any salary increments as a result of the problems the telecommunications utility company was facing. He informed the participants that liquidation of ZAMTEL must be avoided at all costs as this would have negative bearings especially on the employees. To this extent, he called on the Union leaders in the workshop to welcome the impending partial restructuring of ZAMTEL by Government. He mentioned that since Government had stated the need to find an equity partner, the NUCW had already begun engaging Government in ensuring that this eminent privatization exercise bears a human face.

Mr. Kaonga reiterated that it was the desire of the Union that the telecommunications utility survives the storm and regains its vibrancy so that it continues to give pride and security to the nation. On the same note, he mentioned that the NUCW was concerned with the welfare workers who will be rendered redundant as well as those who will be retained under the new arrangement with the equity partner. He made a clear call that both those who will leave ZAMTEL as part of the redundancy measure and those who will be retained to continue under the new arrangement, their lives had been in ZAMTEL and as such the Government should not delay in giving them what is due there's and in the shortest possible time as stipulated by the Collective Agreement.

Mr. Kaonga bemoaned the tendency by some Union leaders to spread falsehood among the membership concerning fellow colleagues and stated that such must be avoided during this most

sensitive period because the general membership are looking for sober leadership at this critical hour. He stated that finger-pointing would not take the Union and ZAMTEL anywhere and must be avoided at all costs.

He ended his remarks by mentioning that the workshop should give positive scenarios and this would be informed by the Managing Director giving the true status of ZAMTEL.

2.2 Ms. Kathy Sikombe: FES Representative

Ms. Kathy Sikombe, speaking on behalf of the Country Representative reaffirmed Friedrich Ebert Stiftung's (FES) continued support to the labour movement in Zambia as a means to promote worker's rights.

She stated the need for employees to be given adequate information upon which they could act and was equally impressed that the Managing Director had agreed to form part of the presenters so that he gives the picture of ZAMTEL as it stands. Coupled with the supply of relevant information to employees, Ms. Sikombe mentioned that with the privatization of ZAMTEL, caution must be undertaken considering the strategic sensitivity of the telecommunications utility company.

She ended her remarks by echoing Mr. Kaonga's call for Union leaders to desist from petty differences which may not inspire confidence in the general membership which is presently looking for leadership during this period.

2.3 Guest of Honour- Mr. Leonard Hikaumba: ZCTU President

Mr. Leonard Hikaumba thanked FES for its continued support to the labour movement in Zambia. Mr. Hikaumba mentioned that Zambia Congress of Trade Unions had advised Government to be cautious when they embarked on the privatization exercise so that job losses are cushioned against. In the past, Government had been in a hurry to privatize and the effects had not been desirable. He mentioned that previous privatization of Government parastatals had not resulted in set objectives and to this date, it still remains a mystery as to where the money from the exercise had gone and what had happened to it. The privatization was marred with serious corruption and this must be avoided in the case of ZAMTEL due to its strategic positioning.

Mr. Hikaumba mentioned that evidence was available that ZAMTEL has a number of problems owing to the technological and environmental changes and as such needs capital injection to make the company competitive in the liberalized ICT industry.

He stated that ZAMTEL is owed billions of kwacha and the major culprit is Government. Considering that Government had arrived at partial privatization in the case of ZAMTEL, the worker's welfare must be safeguarded by ensuring that those rendered redundant be paid immediately and those retained and re-engaged should also be paid their packages before they sign new contracts with the new structure of a partially privatized ZAMTEL. It is also important that the workforce under ZAMTEL is prepared for these changes.

Mr. Hikaumba stated that the strategic partner should come to stay and must have the capacity for sustainability. He stated that Government must learn from cases where partners or investors had come and only to run away after they realized their profits. Government must ensure that the equity partner will have respect for the worker's rights by committing to the decent work agenda which should be reflected in income, social security and worker's rights being respected. This should include mainstreaming HIV/AIDS in policy of the new framework. Under the new arrangement, it is expected that the new ZAMTEL will positively contribute to Zambia's socio-economic development.

Mr. Hikaumba called for unity among the Union leaders because that was critical at this stage.

2.3.1 Zambia National Broadcasting Acting Director General- Ms. Juliana Mwila

The ZNBC Acting Director General commended union officials for taking bold steps to give the correct impression to its membership and paid tribute to FES for standing with the labour movement in their quest to uplift the plight of the workers.

She also mentioned that with the pending partial privatization of ZAMTEL, all stakeholders must be prepared to say goodbye to a number of things they were used to and say hello to new things that will come with the new arrangement. She stated that change was always the case with privatization exercises and must thus be prepared for and managed.

3. OVERVIEW OBJECTIVE OF THE WORKSHOP BY GENERAL SECRETARY NUCW MR. CLEMENT KASONDE

Mr. Clement Kasonde thanked the guest of Honour and ZCTU President Mr. Leonard Hikaumba for his solidarity message to the NUCW and ZAMTEL employees and for his presence during the workshop. He also thanked the NUCW President, the FES Representative and the Zambia National Broadcasting Corporation Acting Director General for their words to the workshop participants.

Mr. Kasonde further informed the participants that the theme for the workshop was to support the developmental changed framework of economic policy towards a sustainable ZAMTEL that promotes social and economic development. He mentioned that it was within the mission of the workshop to develop a more consolidated position to give a trade union's response to the negative effects of privatization and as a basis for engaging the Government of the Republic of Zambia and line ministry, the Ministry of Communications and Transport, in discussions that will advocate for cautious approaches to ZAMTEL's privatization in the face of unfair competition linked to Multi-national Communication Companies.

Mr. Kasonde mentioned that the theme of the Workshop was arrived at in order to provide a platform for critical debate and reflection on the impending partial privatization of ZAMTEL Company Limited, by bringing together various stakeholder Trade Union leadership, academics, policy makers etc so as to explore challenges associated with ZAMTEL privatization in the face of unfair competition linked to the multi-national communication companies and also taking into account the fact that there has not been any detailed study and impact on the privatization of the state-owned telecommunications company in Zambia.

The workshop drew participation from NUCW Branch Executive leadership structures under the Southern Region, segmented as follows: - Lusaka, Central, Eastern, Western and Southern Provinces. Mr. Kasonde informed the house that a second workshop for the Northern Region will be held at Hotel Edinburg in Kitwe on 2nd July, 2009, and will draw participants from Copperbelt, Northern, Luapula and North Western Provinces. He indicated that a consolidation and evaluation workshop as a need-driven initiative was planned in due course and will be attended by all participants together from both the Northern and Southern Regions.

4. PRESENTATION ON THE STATUS OF ZAMTEL BY ZAMTEL MANAGING DIRECTOR MR.

The Managing Director referred to history and stated that in 1994, the Zambia Telecommunications Company Limited (ZAMTEL) was born out of the unbundling of the Post and Telecommunications Corporation (PTC) through the Telecommunication Act of 1994 CAP 469 of the Laws of Zambia. This unbundling led to the creation of ZAMTEL and Zambia Postal Services (ZAMPOST). The rationale for the said unbundling was to make the two entities stand on their own in order to make them competitive following liberalization of the Zambian economy by the Movement for Multi-Party Democracy (MMD), the current Government that came into power in 1991.

The Managing Director made his introductions as one of the ZAMTEL employees and mentioned that he was coming from a background where people speak the truth irrespective of how these were interpreted. In his power point presentation, the MD managed to bring the participants to appreciate the ZAMTEL journey to this point where the parastatal had crossed the red line. He mentioned that ZAMTEL's woes were everyone's problem starting with management, employees and union leaders and that the best to be done under the circumstances was to avoid a liquidation at all costs. He mentioned that as things stand, the best option was finding an equity partner under a proposed partial privatization.

The MD stated that in its present state, the company had about 2,505 employees and adding the casuals, the firm had about 3000 workers. In its present state, no bank would lend money to ZAMTEL and the only viable option is to settle for equity financing. He revealed that ZAMTEL owes close to K800 billion and is only owed around K134 billion and as such the telecommunications utility was a loss making company, which was bloated, technically insolvent and making it very difficult to create value. He mentioned that with proper restructuring, value can be created as all hope was not lost and measures were being taken to salvage the situation and turn the tide within and outside ZAMTEL.

The MD, in his frank discussion with the participants, stated that ZAMTEL's present state could have been foreseen 5 to 6 years ago and measures could have been taken to position the telecommunications utility company better. However, particular attention was not paid to 'road signs' along the way and the result is what ZAMTEL is experiencing today, having crossed the red line.

He mentioned the lack of a performance monitoring system as lacking in ZAMTEL and such the company did not have a viable mechanism to reward hard work as well as separate those not adding value to those doing the same.

5. MAIN PRESENTATION BY M & M MANAGEMENT AND LABOUR AND LABOUR CONSULTANTS LTD

Mr. Mwaba of M&M Labour Consultants presented a paper on the effects of Privatization on Employment: The Case of ZAMTEL and narrowed the discussion to the challenges of retirement and redundancy.

Page | 11

Mr. Mwaba informed the participants on the status of labour laws that provide for retirement and redundancy such as the National Pensions Act 1996 which stated that the official retirement age for men and women is 55 years. He discussed that redundancy is provided for by the Employment Act Cap 268 and the Minimum wages and conditions of Employment Act Cap 276 SI Nos 56 and 57 of 2006 and provisions of the collective agreements between employers and trade unions.

The consultant informed the participants that continued employment is also provided for by the provisions of the Employment Act especially Section 35 and that in the case of privatization, the Employment Act Cap 268 Section 35 provides that:

‘No rights arising under any written contract of service shall be transferred from one employer to the other unless the employee bound by such contract consents to the transfer and the particulars thereof are endorsed upon by the labour officer.’

In dealing with the fear of the unknown in redundancy and retirement (facing the uncertain future) Mr. Mwaba informed the participants that studies conducted in this country show that many people who retire or are declared redundant face a trauma of the fear of the unknown as in Where to go?, What to do?, and, How to do it? It is also true in this regard that many questions remain unanswered. He stated that the good news was that people who retire or those declared redundant normally have a package that they get from the employer though most of them do not know what to do with it.

The consultant stated that the challenges before the NUCW were mainly how they were going to safeguard the employment and terminal benefits of their members under ZAMTEL.

Thereafter, M&M Labour Consultants worked with groups and feedback was provided which forms part of the key resolutions included in this report.

6. PRESENTATION ON THE PRIVATIZATION OF ZAMTEL BY MR. ALEXANDER CHILESHE- EAZ

Mr. Chileshe stated by defining what privatization was and gave a historic perspective to privatization in Zambia by stating that in Zambia, it started feebly in 1988 with the establishment of the ZIMCO Committee on Privatization. With the change of government in 1991, privatization was made the principal policy for reform and development. The Zambia Privatization Agency Act was enacted in 1992 to provide the legal and administrative arrangements for the rapid divestiture of the then 150 registered enterprises and tens of [commercial] assets on the books of the state

Mr. Chileshe also discussed the rationale behind Zambia’s privatization of parastatals and these included:

- Reducing budgetary expenditure in investments and subsidies to loss making enterprises;

- Attracting private investments in sectors that had been 'crowded out' by state enterprises;
- Promoting competition and improve the efficiency of operations of enterprises;
- Improving management standards
- Creating employment and to produce quality products.
- Encouraging wide ownership of shares;
- Deriving capital incomes for the treasury

Mr. Chileshe drew a comparative analysis of ZAMTEL and its existing competitors in the country that includes Zain (Zambia) and MTN (Zambia) focusing on Subscriber Base and Per Cent Market Share. It was discovered that while MTN had 198 498, representing 9.6% and Zain with 1 729 589, representing 83.3%, ZAMTEL's subscriber base was lowest at 147 121, representing 7.1% of the market share. Besides, ZAMTEL has an external liability in excess of US\$ 90 million and its competitiveness is also very poor. The telecommunications utility company has a static fixed line subscriber base of about 93 500 and the smallest mobile base of only 178 400 compared to 2.7 million members for Zain, the dominant cellular provider. ZAMTEL employs approximately 2 505 people against 855 for Zain and its staff costs take 58% of the total revenue compared to 1% for Zain and 4.5% for MTN.

Mr. Chileshe told the participants that successful privatization of telecommunication companies had been done in Kenya and South Africa and Zambia could take a leaf from these countries.

Mr. Chileshe discussed that Privatization in Zambia is credited with rising poverty levels, unemployment, deindustrialization of the economy, reduced national capacity to produce goods and services and high levels of corruption and high death rates. As a result, there was need to create trust by the government in all concerned, including the general public.

RECOMMENDATIONS AND STRATEGIES FROM PARTICIPANTS' GROUP WORK

- A follow up and joint 2 day workshop for both Southern and Northern Regions to consolidate the deliberations of the two workshops, develop a common position to be presented to government
- All workers should be paid their terminal benefits on their last day at work and that the existing Collective Agreement should be studied and recommendations made to that effect.

Closing Session: Monday 29 June, 2009

Chair: Mr. Kasonde- Secretary General, National Union of Communication Workers (NUCW)

The workshop was officially closed by the President for the National Union of Communication Workers (NUCW) Mr. Kaonga. There was no communiqué prepared by the participants.

In his closing remarks, Mr. Kaonga thanked the participants for their active participation in workshop deliberations and ended by paying tribute to FES for their support

9. ANNEXURE: NUCW POSITION ON ZAMTEL

9.1 Position of NUCW on Privatization of ZAMTEL

NUCW's position is that it is important to assess and consider the implications of allowing ZAMTEL to be privatized in light of the economic, social as well as national security considerations. This aforementioned provides the context within which sound business decisions can be made in order to maintain and sustain the viability of ZAMTEL in particular and the Telecommunication industry in Zambia in general. In light of the foregoing, the NUCW's strong view has been that re-capitalization of the company would have been the best option and in the best interest of the country rather than privatization. An example cited is that a country like Zambia, whose economic prosperity and demographics are changing so rapidly, the need to maintain the telecommunications utility company in the control of the state is even more pronounced. Due to numerous highly uncertain internal and external economic and political factors, predicting the exact future state of the telecommunications industry in Zambia is difficult, if not impossible. However, the process of future scenario planning offers a way to identify the boundaries of future possibilities, thereby providing a context to develop a robust business strategy to better cope with a variety of possible future development. Thus, one aim of this statement is to identify important drivers of change in Zambia and assess how they can manifest themselves in the future, depending on how they are managed.

9.2 NUCW Recommendations and Proposals made to the Government

The NUCW arrived at the following recommendations for Government's consideration:

- That there is urgent need for the government to formulate administrative guidelines and procedures relating to tender procedure which does not necessarily slow the process in the procurement of telecommunications equipment and other value added services through the current rigid tender procedures which may just be an impediment rather than well meant control measure per se
- To source money to carry out rural telecommunications facilities from rural telecommunication funds to improve rural telecommunications infrastructure so that the cost of doing business and accessing the same becomes low and affordable thus stimulating development in rural areas as well
- To improve and expand GSM system for ZAMTEL in order to improve the financial position of the company
- To put up the Optical Fibre Cable System throughout the country so that ZAMTEL can manage to meet increased demand in modern ICT thus increasing its capacity to meet the increased demand in the transmission of telecommunication and other data signals, this obviously will help increase revenue for the company
- To ensure that the Zambian International Gateway (Mwembeshi Earth Station) is not liberalized as doing so would have resulted in depriving ZAMTEL of its needed financial resources. The liberalization would have also compromised national security.

