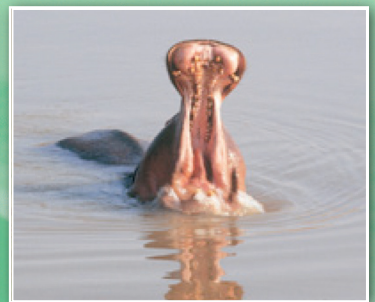


# ZAMBIA

**AFRICA'S NEW FRONTIER FOR  
INVESTMENTS AND PROFITS**





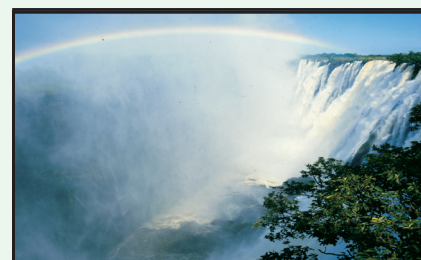
# AFRICA





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# ZAMBIA


## AFRICA'S NEW FRONTIER FOR INVESTMENTS AND PROFITS

### *A NOTE FROM THE EDITORIAL TEAM*

The publication is structured with the foreign investor in mind who has little knowledge of Zambia. However, domestic investors will also benefit from this publication.

Investors looking at any country as a base for investments will be examining that nation based on what we have called the 10 checkpoints for an INVESTMENT DECISION.

#### **The 10 Checkpoints are:-**

- 
1. **Political Stability**
  2. **Economic Fundamentals**
  3. **Attitude of Welcome**
  4. **Key Government Policies**
  5. **Infrastructure**
  6. **Human Resources**
  7. **Banking and Finance**
  8. **Efficiency of Government Machinery/Bureaucracy**
  9. **Domestic Business Environment**
  10. **Quality of Life**

Over and above the basic business opportunities such as raw materials, availability of market etc, it is these that determine whether or not investors will be attracted to invest in a country. In this context, tax incentives, although also important for attracting investors, only become considered if investors are happy with the status of the 10 checkpoints indicated above.

This publication examines all these issues from the viewpoint of the investor and is a road map, as it were to profitability that could make Zambia a dynamic emerging economy, and possibly a type of Switzerland or Singapore in Africa.

Lastly, Zambia Development Agency (ZDA) would like to thank Japan International Cooperation Agency (JICA) and JJ Ishwara Connect (JJIC) for the tremendous support it has given in the gathering and verifying much of the information that is in this publication.

**Zambia Development Agency (ZDA)**





*Zambia and some of her surrounding neighbours*



## INTRODUCTION

**Location:**

Located in the Southern African Sub-region, Zambia is a landlocked country bordered by the Democratic Republic of Congo, Tanzania, Angola, Namibia, Malawi, Mozambique, Zimbabwe and Botswana. The mean altitude rises about 1200 meters above sea level and the country is situated between latitude 8 and 18 degrees East and longitude 22 and 34 degrees South

**Capital City:**

Lusaka

**Land Surface:**

752,614 Km<sup>2</sup>

**Climate:**

Zambia's geographical position and high altitude provides the country with sub-tropical vegetation and climatic conditions. There are three distinct seasons:

- A warm-wet season (November to April)
- A cool-dry season (May to August)
- A hot-dry season (September to October)

**Population:**

12.1 million, 55% living in urban areas (one of the highest urbanisation rates in sub-Saharan Africa). About 46% of the population are between 15 and 64 years of age. The annual population growth rate is 2.5%

**Independence:**

24<sup>th</sup> October 1964 (from the United Kingdom)

**Adult Literacy:**

68%

**Spoken Languages:**

English (official language), Other main vernacular languages are Bemba, Nyanja, Tonga and Lozi. There are about 70 other indigenous languages and dialects throughout Zambia

**Religion:**

Christianity comprises the largest faith group. Minority faith groups are Muslims and Hindus. The republican constitution recognizes Zambia as a Christian Nation.

**Natural Resources:**

Copper, cobalt, coal, emeralds, gold, water, wildlife, forestry and hydropower.



## 1. POLITICAL STABILITY



*Recent Presidential By Elections September 20, 2011*

Zambia practices a system of multiparty democracy with Members of Parliament and the President, who is also Head of State, elected every five years. There is a stable legal environment governed by the rule of law. The major political parties include the Patriotic Front (PF) the Movement for Multi Party Democracy (MMD), the United Party for National Development (UPND), Forum for Democracy and Development (FDD) and United National Independence Party (UNIP).



*Downtown Lusaka, throbbing with activity*

The Zambian Constitution provides for separation of powers between the Executive (Cabinet), Legislature (Parliament) and Judiciary (Courts). **The country has had no conflict of any kind since independence**, is stable politically, peaceful and is considered to have the friendliest people in the Southern Africa Sub-region.





*Cabinet Office*

What also makes Zambia unique is that all its elections have always been free of violence and the last elections on 20th September, 2011 are testament of that legacy.

Another distinctive political characteristic of Zambia is the fact that although there are many diverse tribes, all co-exist in harmony: “Unity amidst diversity

***Quote from the Corporate World:***

“ *In comparison to many countries, the political situation in Zambia is stable and consistent* ”

**Daniel Nel, Managing Director, Barclays Zambia Plc.**  
(Investing in Zambia: 2006)

Another distinctive political characteristic of Zambia is the fact that although there are many diverse tribes, all co-exist in harmony: “Unity amidst diversity”.

## Religious Harmony



*Harmonious co-existence of churches, Hindu temple and mosque in Lusaka*

One outstanding symbol of religious harmony is this prominent symbol in the heart of the capital Lusaka. A Hindu Temple and a Mosque, stand side by side, and have churches as neighbours ...a silent testimony of “Unity in diversity”.

**This is Zambia: ONE ZAMBIA ONE NATION.**



Commenting on religious freedom in Zambia, Father Keaney, parish priest of the St. Ignatius Church in Lusaka said,

“One of the blessings that all churches in Zambia experience is the level of freedom and independence in expression of faith.”

He also said, having lived in Zambia since 1973, he has not felt or experienced any hindrance from the government or any other religious group. He also mentioned during an interview, that Zambia is one of the few countries in the world that has people from different religious backgrounds and with great freedom to worship.

“Zambia has freedom to worship, even though the country is a Christian Nation. The Government of Zambia allows all religions to follow their own faith and flourish in the country. There is full harmony among all religions in the country. Here, all religious communities participate in the economic growth of the country. No religion has any bias from the society.”

**Rashid Limbada – Chairman Makeni Islamic Society Trust**



## 2. ECONOMIC FUNDAMENTALS

### Economic Background

On attainment of independence in 1964, Zambia inherited, a strong economy, which has remained predominantly dependent on copper mining. The immediate post-independence years were characterized by an economic boom due to high revenues earned from copper production, representing one of Africa's best performing economies. With increased State involvement in enterprises from the mid 1970, the economy of the country took an unfavourable and downward trend.



*Zambia forging ahead – Priority for Infrastructure*

### Economic Environment









The country's political turnaround from one-party socialist to a multiparty democracy in 1991 was accompanied by fundamental change in economic re-orientation.

The Zambian Government embarked on drastic economic reforms whose immediate priority was stabilization of major macroeconomic indicators, encouraging the private sector and the State withdrawing from running enterprises.

## Key Macroeconomic Indicators

INDICATORS	2004	2005	2006	2007	2008	2009	2010	2011
Inflation (%) (end of period)	17.5	15.9	8.2	8.9	16.6	9.9	7.9	7.2
Exchange rate (K per US\$)	4,780	4,520	3,600	3,830	4,880	4,550	4,797	4,789
Interest rate (%)	36.9	27.6	27.9	24.4	26.9	29.5	27.7	26.5
GDP at Market Prices (US\$' bn)	5.4	7.1	10.7	11.5	11.3	14.1	16,2	19.6
GDP growth rate (%)	5.4	5.2	6.2	6.2	5.8	6.3	7.6	6.8
GDP per capita (US\$)	490	635	920	935	980	1,100	1,241	1,463

The elements of economic reforms that were implemented included:

-  Abolition of price controls
-  Removal of exchange rate and bank interest rate controls
-  Abolition of foreign currency controls in total
-  100% repatriation of net profits
-  Privatization of state-owned enterprises
-  Promotion and facilitation of both local and foreign direct investment
-  Promotion of exports
-  Development of the capital market through the Lusaka Stock Exchange

The Government put in place measures to diversify the economy from the traditional (copper and cobalt production) to non-traditional production and exports (products and exports other than copper and cobalt).

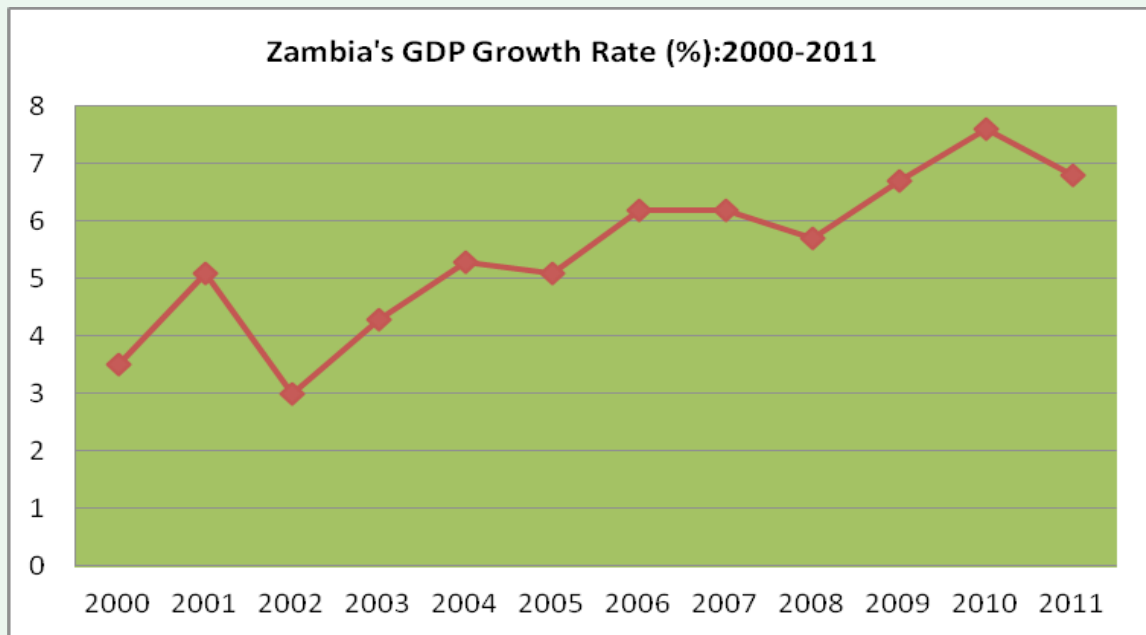
The non traditional products began to exhibit a positive and favourable performance in value terms in the country's balance of payments, notably over the period 2000-2005. The export of these products more than trebled, their value increasing from US\$210.8 million in 2000 to US\$ 1,435 million in 2009.

Zambia reached the Highly Indebted Poor Country (HIPC) completion point in April 2005. Having attained the final stage of the HIPC process, the country has received substantial debt relief which has seen a reduction in Zambia's external debt stock. The total external debt stock, which was estimated at US\$7.2 billion, reduced to US\$1,093 million by end of 2008. This is a strong reflection of the FINANCIAL DISCIPLINE that Zambia has imposed on itself to be able to join the dynamic growth economies of the globalized world.

### Inflation

The Government's fiscal discipline has contributed to significant declining trends in inflation rates. In 2006 year-end inflation stood at 8.2%, the lowest since the liberalization of the economy in 1991. In 2007 inflation was recorded at 8.9% at the end of the year. Towards end of 2008, Zambia too was affected by the world financial crises and the inflation rate edged upwards to 16.6% by end of 2008. However, the Zambian economy and its financial discipline enabled the nation to remain viable, and by the end of 2011 the inflation rate had reduced to 7.2%.





## International agencies and media report positively:

### Financial Times, July 31 2006 Foreign Investors Think small

Sudden interest in emerging markets such as Zambia is indicative of the constant search for high yield and a willingness to go far to get it.

According to a report this month by the International Monetary Fund (IMF), foreign holdings of Zambian Government securities – primarily by hedge funds, have risen considerably from a negligible amount, to over US\$ 250 million in the last five years.

## Foreign Debt

Zambia is one of the countries in the world that had been highly indebted to multilateral as well as other financial institutions such as the World Bank and IMF.



In April 2005, Zambia successfully reached the completion point of the Heavily Indebted Poor Countries (HIPC) initiative. The HIPC Initiative, is a debt relief scheme created in 1996 where international agencies such as the World Bank and the IMF agree to provide limited debt relief for the poorest countries, if they can achieve an accepted standard of financial discipline, with the goal of bringing the countries to a “sustainable” level of debt.



Having attained the HIPC process, the country started benefiting from 100% debt relief from both the bilateral and multilateral institutions.



### Future Growth Prospects

In 2011, the global economy continued its recovery. Annual growth is projected at 4.0% slightly lower than 5.1% recorded in 2010. Economic growth was strong in the emerging and developing economies, with growth in Sub-Saharan Africa of 5.2% 2011. The average price of copper in the first ten months of 2011 was US\$8,704 per ton, compared to US\$7,538 per ton in 2010.

Inflation was maintained at single digits and was 8.7% in October 2011, compared to 7.9% in December 2010. However economic activities in 2011 continued to drive growth in money supply. The annual growth in money supply was 26.8% up to September 2011 compared with 23.6% during the corresponding period of 2010. This was mainly driven by the increased lending to private enterprises.

### International Trade and Balance of Payments

- a) Traditional exports of copper and cobalt.
- b) Non traditional export products include ferrous scrap, refined sugar, copper wires, cables and rods, cotton lint, semi-precious/precious stones, cotton yarn, burley/flue cured tobacco, petroleum products, fresh vegetables, fresh flowers, gold, coffee, cement and fuzzy cotton seed and cotton lint. Other significant export products are fertilisers, hydrated lime, paprika, tea, coal, maize, soya beans, skin leather, asbestos pipes/sheets, groundnuts, honey, mixed beans, mushroom, fresh eggs and day old chicks, paper, aluminium wires and cables, sorghum, clothing and blankets.

Zambia mainly imports crude oil, foodstuff, chemicals, machinery and raw materials. Zambia's supermarkets and stores hold a huge variety of imported household and consumer products and this is one indication of the potential for import substitution that must be investigated by investors.



## Breakdown of Sector Contribution to GDP – In US\$ Billions

ECONOMIC ACTIVITY	2005	2006	2007	2008	2009	2010	2011
<b>Agriculture, Forestry &amp; Fishing</b>	1.49	2.17	2.28	2.22	2.96	3.13	3.64
Agriculture	0.31	0.43	0.39	0.37	0.52	0.56	0.67
Forestry	1.09	1.63	1.78	1.75	2.31	2.45	2.86
Fishing	0.08	0.11	0.11	0.10	0.13	0.12	0.12
<b>Mining and Quarrying</b>	0.23	0.45	0.51	0.46	0.18	0.57	0.77
Metal Mining	0.22	0.44	0.51	0.45	0.18	0.57	0.76
Other mining and quarrying	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>PRIMARY SECTOR</b>	1.72	2.61	2.79	2.68	3.14	3.69	4.42
<b>Manufacturing</b>	0.76	1.11	1.12	1.05	1.32	1.35	1.52
Food, Beverages and Tobacco	0.47	0.67	0.69	0.65	0.85	0.87	0.96
Textile, and leather industries	0.11	0.18	0.15	0.10	0.10	0.04	0.02
Wood and wood products	0.06	0.09	0.10	0.10	0.14	0.16	0.19
Paper and Paper products	0.04	0.05	0.06	0.07	0.10	0.12	0.15
Chemicals, rubber & plastic pdts.	0.06	0.09	0.09	0.09	0.11	0.12	0.14
Non-metallic mineral products	0.01	0.02	0.02	0.01	0.02	0.02	0.03
Basic metal products	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fabricated metal products	0.01	0.01	0.02	0.01	0.00	0.01	0.02
<b>Electricity, Gas and Water</b>	0.20	0.32	0.34	0.31	0.40	0.44	0.59
Construction	0.71	1.31	1.67	1.80	2.74	3.14	4.09
<b>SECONDARY SECTOR</b>	1.68	2.74	3.13	3.16	4.46	4.94	6.20
Wholesale and Retail trade	1.30	1.81	1.85	1.75	2.21	2.24	2.57
Restaurants, Bars and Hotels	0.20	0.31	0.34	0.33	0.33	0.37	0.42
Transport, Storage & Communicat.	0.31	0.45	0.50	0.46	0.51	0.62	0.72
Rail Transport	0.02	0.03	0.02	0.02	0.01	0.02	0.02
Road Transport	0.12	0.18	0.19	0.18	0.23	0.25	0.29
Air Transport	0.05	0.10	0.12	0.12	0.09	0.12	0.15
Communications	0.11	0.15	0.16	0.14	0.17	0.22	0.25
Financial Institutions and Insurance	0.61	0.90	0.91	0.92	1.23	1.35	1.53
Real Estate and Business services	0.44	0.64	0.67	0.64	0.81	0.86	1.06
Community, Social & Pers. Services	0.62	0.96	1.08	1.12	1.46	1.63	1.95
Public Adm, Defence, Public sanit.	0.22	0.27	0.31	0.30	0.33	0.35	0.41
Education	0.28	0.51	0.58	0.63	0.90	0.94	1.11
Health	0.08	0.11	0.11	0.12	0.14	0.25	0.32
Recreation, Religious, Culture	0.01	0.02	0.02	0.02	0.03	0.03	0.04
Personal Services	0.04	0.05	0.05	0.05	0.06	0.06	0.07
<b>TERTIARY SECTOR</b>	3.48	5.07	5.34	5.22	6.54	7.06	8.23
Less: FISIM	-0.35	-0.52	-0.52	-0.53	-0.70	-0.78	-0.88
<b>TOTAL GROSS VALUE ADDED</b>	6.52	9.91	10.74	10.53	13.43	14.92	17.97
Taxes less subsidies on Products	0.57	0.79	0.80	0.75	0.70	0.61	0.82
<b>GDP AT MARKET PRICES</b>	7.10	10.70	11.54	11.28	14.14	15.53	18.79

Source: Central Statistics Office, 2011

### Sectoral Description

#### Mining:

Zambia is the world's fourth largest producer of copper and holds six percent of the world's known reserves thereof. Copper and cobalt, as the country's traditional exports account for well over 70 percent of export earnings. These include gold and gemstones (eg emeralds, aquamarine, topaz, opal, agate and amethysts). Zambia produces over 20% of the world's emeralds.



**Agriculture:**

Although the agricultural sector employs more than half of the total labour force, only 15 percent of the arable land is under cultivation. It is because of this potential that the government encourages investment in commercial farming.

**Manufacturing:**

The main manufacturing activities in Zambia are the Food, Beverages and Tobacco sub-sector. However the growth potential in other industries as well is vast. Support measures designed to aid manufacturing enterprises in non-traditional sectors are being implemented.

**Tourism:**

The tourism industry has grown over the past 3 years, with the establishment of hotels in the major tourist town of Livingstone and the city of Lusaka. The vast potential in the tourism sector in Zambia, with its natural beauty (including the Victoria Falls, which is one of the most renowned beautiful transcendental Seven Natural Wonders of the World) and the wealth of wildlife have yet to be fully exploited. Zambia has 19 national parks and 34 game management areas with a total of 65,000 km<sup>2</sup> set aside for wildlife conservation.

**Infrastructure:**

Rail network remains the dominant mode of transportation (83.4%) for goods on the local and international routes. Major rail line links Zambia with Tanzania, is jointly owned by the Zambian and Tanzanian governments and is run by Tanzania-Zambia Railway Authority (TAZARA). The Chipata-Mchinji Railway is under construction and will link Zambia with Malawi and Mozambique. Furthermore there are more than 130 airfields, one third of which are Government-owned while the rest are privately owned. The Lusaka and Livingstone International Airports are Zambia's main airports connecting the country with the region and the rest of the world. The smaller airports include Ndola, on the Copperbelt province and Mfuwe, in the Luangwa National Park.

**Energy:**

With its vast water resources and coal reserves, Zambia offers abundant investment opportunities for hydroelectric power generation, supply and distribution. The country has well over 1,750 MW of hydroelectric generating capacity. Proven coal reserves exceed 30 million tonnes and satisfy 9% of energy demand. Hydro-electricity is mainly supplied and distributed by the Zambia Electricity Supply Corporation (ZESCO).

**Telecommunications:**

Zambia has access to the west coast Sat-3 cable to Europe via a fibre link with Namibia, which in turn links with the South African fibre network, reaching Cape Town. Currently three companies, the Zambia Electricity Supply Corporation (ZESCO), the Copperbelt Energy Corporation (CEC) and the Zambia Telecommunications Company (ZAMTEL) are licensed to operate optic fibre networks, and there are mobile telephone services namely Airtel Zambia, MTN and Cell-Z (a mobile segment of ZAMTEL).

**Health:**

Government and private hospitals and clinics provide health care. The private hospitals have earned a reputation as providers of good quality health care. Major surgery cases are usually referred to the Republic of South Africa. Flying doctor services cover remote areas and provide immediate care and transport for urgent cases. Investment opportunities for establishing specialized hospitals to treat such referral cases are, therefore, unexploited.

**Education:**

There currently only 3 public universities, namely the University of Zambia, the Copperbelt University and the Mulungushi University, and 4 private universities namely; Cavendish University, the Zambia Open University, the University of Lusaka, the Catholic University and the Northrise University. There also over 40 technical colleges, thus the massive investment opportunities for provision of university level and other tertiary education.

### 3. ATTITUDE OF WELCOME



*Not only the investment environment but Zambia's magnificent Victoria Falls welcomes you*

“

We are working to make Zambia the Investment hub of Africa if not the world. Zambia remained open and ready for investment in sectors such as manufacturing, agro-processing, energy ICT and infrastructure, agriculture and manufacturing sector.

”

*H.E. Mr. Michael C. Sata, The President of the Republic of Zambia. Presidential speech at the Commonwealth Economic Forum in London on 7th June 2012*

The Government of Zambia is pursuing a dynamic private sector lead economic agenda, driven by domestic and foreign direct investments, and seeks to establish new trading partners in the Asian tiger economies, whilst also maintaining links with traditional Western trading and investing partners, as well as partners the Southern Africa sub region and in Africa as a whole.

The Government of Zambia in conjunction with several developed country / cooperating partners from USA, Europe and Japan have launched trade and investment initiatives to serve as a stimulus for the promotion of domestic and foreign business, trade and direct investments into Zambia.

Considerable efforts are constantly being made to ensure that Government policies and administrative procedures are investor friendly.












The positive impact of these measures is reflected in the following statement by the World Bank Doing Business Reports for 2010.



*“Zambia ranks among the top 10 countries worldwide that have improved the ease of doing business in the year 2010. Zambia, a top 10 performer eliminated its minimum capital requirement, computerized customs declarations and introduced an electronic case management system in courts”*

## **IN SUMMARY – WHY ZAMBIA ?**

The country’s central location in the region as well as combination of following key strengths makes it a unique place to invest:

-  Abundance of natural resources and manpower which are highly under-utilized.
-  Abolition of controls on prices, interest rate, foreign exchange transactions.
-  Free repatriation of earnings and repayments.
-  Guarantees and security to investors with statutory rights to full and fair compensation.
-  Duty free access to regional markets i.e. SADC and COMESA, the wider African markets, and the USA markets under the African Growth and Opportunity Act, (refer to page 16).
-  Land Banks separately created for large scale for large scale agricultural development (refer to page 30).
-  Well developed industrial land for investments within the Multi Facility Economic Zones (refer to page 32).
-  Banking, financial, legal and insurance services of international standard as well as a Stock Exchange (refer to pages 38).
-  Good place to work and live: – sub-tropical climate and vegetation with plenty of water and electricity. Friendly people, mostly English speaking with high literacy rate. Educational establishments to University level. Strong religious values. Open air lifestyle with nature reserves, game parks, rivers, lakes and waterfalls.
-  Land linked to eight neighboring countries with immense potential i.e. Angola, Botswana, Congo D.R, Malawi, Mozambique, Namibia, Tanzania and Zimbabwe.
-  Thriving private sector – Government has successfully privatized most of the previously state owned businesses thus encouraging an enterprising culture.

### **Visa Applications**

Obtaining a visa is generally straight forward, provided that all the required documentation is available.



Nationals of Common Market for Eastern and Southern Africa (COMESA) and Commonwealth member countries generally do not require visa to visit Zambia. However, nationals of following Commonwealth countries do require visas; The Gambia, Ghana, India, Pakistan, Papua New Guinea, Sri Lanka and United Kingdom.

The visas may be obtained from any Zambian High Commission and Embassy overseas. It is also possible to obtain a Visa at Zambia entry points for some specified foreign country nationals (e.g. UK and the USA –please check prior to departure).


It should be noted that a work permit is required before any foreign national can take up employment in Zambia.

### Visa on Entry through ZDA Facilitation for Investors

Potential investors can obtain a visa at the point of entry by requesting ZDA to make an application to the Immigration Department. They should email ZDA (one month before arrival date) the following information:

- I. Name of company and address
- II. Name of Company Chief Executive Officer, contact phone number and email
- III. Name of company official visiting Zambia, position, phone number and email
- IV. Nature of project – give details
- V. Details of contacts in Zambia (if any)
  -  For first time investors whose only contact are Zambian Government officials met during Zambian Investment promotion missions abroad, please indicate the name of the officer and relevant ministry.
  -  For those who have no official contact, please indicate and ZDA will facilitate. In this context it is important that Item IV. Above is completed in detail.
- VI. Duration of stay in Zambia
- VII. Type of assistance required from ZDA during visit
- VIII. Scanned copies of passports of company officials visiting Zambia showing picture and details of passport holder



The emails should be addressed to:

 [info@zda.org.zm](mailto:info@zda.org.zm)

### Setting up a Business in Zambia

All businesses engaging in both domestic and/or international trade are required by law to be registered with the Patents and Companies Registration Office (PACRO), an agency of the Ministry of Commerce, Trade and Industry.

Registration is either by:




-  Business name
-  Public or private company (therefore being incorporated in Zambia) or
-  Foreign company

The basic requirements a foreign investor must meet to form a company in Zambia are:

- a) Select the name of the proposed company, and have alternative names in case the first choice is not available.
- b) Select the directors
- c) Select the company secretary
- d) Select the registered office
- e) Select the accounting reference
- f) Decide on what would be the authorised share capital
- g) Decide in what would be the purpose of the company
- h) Decide whether they would need to enter into a shareholders agreement
- i) Decide on the articles of association.



The minimum capital required to register a public or private company is K 5 million (USD 1,000). Registration fees (inclusive of name search, forms, processing of application forms) are as follows:

-  K85,000 (USD 17) for registration of a business name
-  K245,000 (USD 49) minimum for registering a company (depending on share capital the fee increases by K 5,000 (USD 1) increment for each additional K 200,000 (USD 40) of share capital)
-  K585,000 (USD 117) for a foreign company

A foreign investor can register either a public company or a private company which maybe private limited by shares, or companies limited by guarantee or unlimited companies. However, should a foreign registered company desire, it may register as such in Zambia by lodging an application for this, and the application must be accompanied by:

- a) A certified copy of the charter, statutes, regulations, memorandum of and articles of association or other instrument consulting or defining the constitution of the company
- b) In relation to each documentary agent and local director, a statement signed by that person accepting appointment of such.
- c) A statement regarding property acquired in Zambia by the company.

Registration fees for a foreign company are as follows:

- a) Registration of a certified copy of the charter, statutes, regulations, memorandum of articles of association or other instruments constituting or defining the constitution of the company is K 1,000,000.00 (USD 200)
- b) Registration of any document or making a record of any fact authorized to be delivered, sent or forwarded to the Registrar not specified in (a) above is K 150,000.00 (USD 30.00)
- c) Certificate of Registration – K150,000.00 (USD 30.00)
- d) Sealing – K 150,000.00 (USD 30.00)

**If all the necessary paper work is in place and correctly done, the registration of a company can be completed in one day.**

### Legal Framework for Investment Protection

The Zambia Development Agency Act assures investors that property rights shall be respected. No investment of any description can be expropriated unless Parliament has passed an Act relating to the compulsory acquisition of that property. Also, in case of expropriation full compensation shall be made on market value and shall be convertible at the current exchange rate.

Zambia is a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and other international agreements. This guarantees foreign investment protection in cases of war, strife, disasters, and other disturbances or in cases of expropriation.

Zambia has also signed Investment Treaties with eleven countries. These bilateral investment treaties are reciprocal agreements between two countries that encourage, promote and protect foreign investment. These countries are Belgium, Luxemburg, China, Croatia, Cuba, Egypt, France, Germany, Ghana, Italy, the Netherlands and Switzerland.

### Double Taxation Agreements

Some eligible taxpayers find themselves liable to tax in more than one country or territory in respect of the same income. The predicament of international Double Taxation may adversely affect the international flow and mobility of human, financial and investment resources, thus the international community has devised a mechanism to prevent, eliminate or mitigate the incidence of Double Taxation.

The countries that Zambia has signed Double Taxation Agreements with include; Canada, Denmark, Finland, France, Germany, Holland, India, Ireland, Italy, Japan, Kenya, Mauritius, Norway, Romania, South Africa, Sweden, Tanzania, Uganda, United Kingdom, Yugoslavia and Zimbabwe.

In addition, preliminary discussions to come up with Double Taxation Agreements and other trade facilities with India and Malaysia have commenced. In principle, double taxation agreements enable offsetting tax paid in one of 2 countries against the tax payable in the other, in this way preventing double taxation.

### AGOA - Africa Growth and Opportunity Act

This Act provides trade preferences for quota and duty-free entry into the United States for certain goods. Notably, AGOA expanded market access for textile and apparel goods into the United States for eligible countries. Some AGOA countries have begun to export new products to the United States, such as cut flowers, horticultural products, automobiles and steel.

Initially, AGOA was set to expire in 2008. In 2004, the United States Congress passed the AGOA Acceleration Act of 2004, which extended the legislation to 2015. The Act's apparel special provision, which permits lesser-developed countries to use foreign fabric for their garment exports, was to expire in September 2007. However, legislation passed by Congress in December 2006 extended it through 2012.

### Cotonou Agreement

The Cotonou Agreement, provides for *reciprocal* trade agreements, meaning that not only the European Union (EU) provides duty-free access to its markets for African, Caribbean and Pacific Nations (ACP) exports, but ACP countries also provide duty-free access to their own markets for EU exports.

True to the Cotonou principle of differentiation, however, not all ACP countries have to open their markets to EU products after 2008. The group of least developed countries is able to either continue cooperation of *non-reciprocal* trade preferences or the "Everything But Arms" regulation.

Zambia is also a signatory to the Cotonou Agreement, which aims to achieve free trade arrangements between the EU and the ACP regional groupings.

### Market Access

Zambia's active participation in the 14 countries region SADC Trade Protocol as well as the Africa wide 20 countries COMESA/FTA offers preferential tariff access to total market potential of nearly 380 million people.



**COMESA (Common Market For Eastern and Southern Africa)**

COMESA was founded in 1994 to replace the former Preferential Trade Area (PTA) and forms a formidable market (both external and internal trading) with over 20 member states with a population of more than 374 million and an annual import bill of around USD32 billion.

“

*ZAMBIA Bata Shoe Company Plc has established a new export market in Southern Africa with Zimbabwe emerging as a major importer of the company's leather and finished products. Our company is now exporting to South Africa, Malawi and Zimbabwe. We managed to penetrate the regional market based on our specialised production and focused marketing arising from trade interface between countries in the COMESA and SADC region.*

”

**Mr. Glenn Ireton Manley, Managing Director, Bata Shoe Company.**

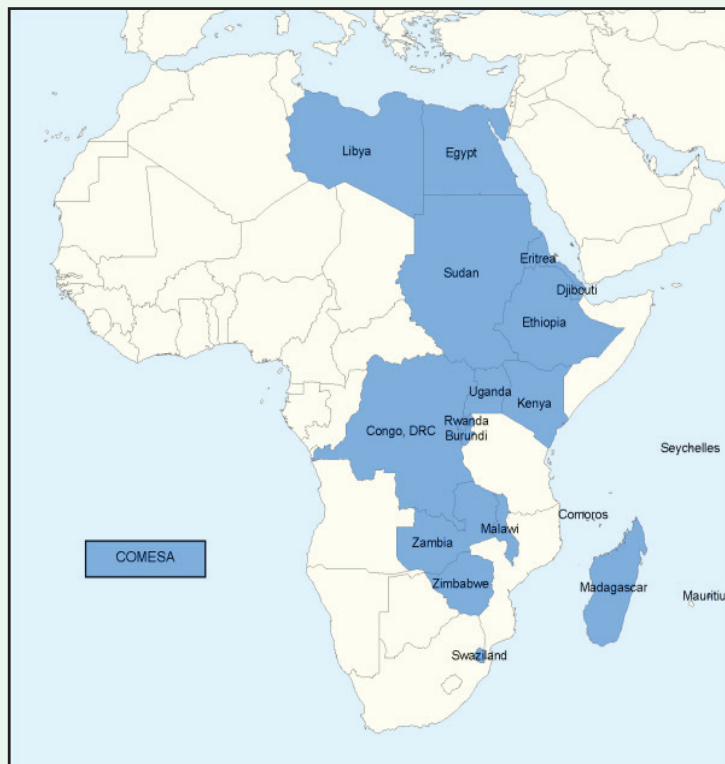


*Boosting agricultural production for the local and regional market*

## ATTITUDE OF WELCOME

### COMESA Member States

1. Angola
2. Burundi
3. Congo DR
4. Comoros
5. Djibouti
6. Egypt
7. Eritrea
8. Ethiopia
9. Kenya
10. Libya
11. Malawi
12. Madagascar
13. Mauritius
14. Rwanda
15. Seychelles
16. Sudan
17. Swaziland
18. Uganda
19. **Zambia**
20. Zimbabwe

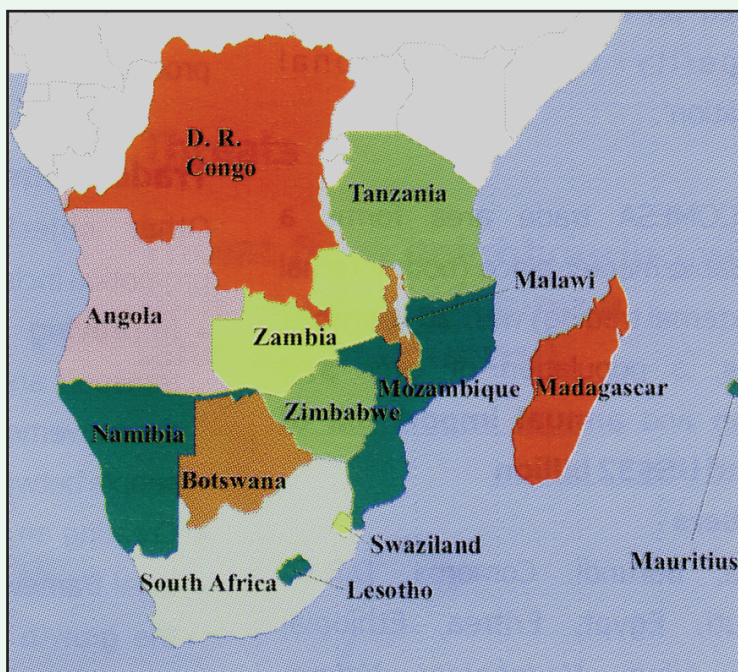


### SADC (Southern African Development Community)

SADC was formed with the objective of building a region of high levels of harmonization and rationalization that enable pooling of resources to achieve self reliance and ultimately improve the living standard and quality of people in this region.

### SADC Member States

1. Angola
2. Botswana
3. Congo DR
4. Lesotho
5. Madagascar
6. Mauritius
7. Malawi
8. Mozambique
9. Namibia
10. South Africa
11. Swaziland
12. Tanzania
13. **Zambia**
14. Zimbabwe





## 4. KEY GOVERNMENT POLICIES

The Government has recognized that the private sector must become the engine of growth to drive the economy and create wealth and jobs opportunities for the Zambian people.

### Foreign Exchange

- ❁ Zambia abolished exchange controls in 1994. Companies can bring in capital and repatriate capital and profit without restrictions.
- ❁ Interest rates and foreign exchange rates are market determined.
- ❁ Investors face no restrictions on the amount of interest, profit dividends, management fees, technical fees and royalties that they are allowed to repatriate. Income earned by foreign nationals may also be externalized without difficulty.

### Rule of Law






- ❁ Zambia legislative power is vested in the Parliament which comprises the President and the National Assembly. The constitution was last amended in 1996 which covered areas in governance, legal and judicial doctrines
- ❁ These changes included the declaration of sovereignty and democracy resolution to maintain Zambia as a democratic state, equal rights of men and women, upholding the laws of the elected state, declaration of the country as a Christian nation and resolution to remain a multiparty state.
- ❁ Guarantee against expropriation -The Government of Zambia has long recognized that the ability to encourage private investment is the key to stronger economic performance. The Zambia Development Agency Act of 2006 assures investors that property rights shall be respected. No investment of any description can be expropriated unless Parliament has passed an Act relating to the compulsory acquisition of that property. Also, in case of expropriation full compensation shall be made on market value and shall be convertible at the current exchange rate.



*Zambia's imposing Court House and Parliament Building reflect Nation's stability under rule and law of Parliamentary Democracy*

## KEY GOVERNMENT POLICIES

Being a former British colony, Zambia has a common law system. The Judicature of Zambia has five layers of Courts which include:

-  The Supreme Court
-  The High Court
-  The Industrial Relations Court
-  Subordinate Court
-  Local Court

### Equity Ownership

The financial sector is fully liberalized and allows for 100% foreign ownership of financial institutions.

All projects declared as being in a priority economic sector under the ZDA Act, can be 100% foreign owned. However the Zambian Government encourages foreign companies to have Zambian joint venture partners and the ZDA stands ready to help foreign companies to find such partners.

### Employment of Expatriates

Employers seeking to employ expatriate staff are required to apply for work permits from Immigration Headquarters. Such permits are usually issued for an initial period of one year with provision for subsequent extensions or renewals.

Companies that hold an Investment Licence and invest a minimum of US\$ 250,000 or employs a minimum of 200 employees shall be entitled to self-employment permit for up to five expatriate employees.

The fees relating to work permits are indicated below:

	Employment/Work Permit	Investors Permit
Issuance	K3,000,000 (US\$ 600.00)	Issuance K2, 000,000 (US\$ 400)
Renewal	K3, 500,000 (US\$ 700.00)	Renewal K2, 500,000 (US\$ 500)
Replacement	K3, 000,000 (US\$ 600.00)	Variation K2, 000,000 (US\$ 400)
Addition of name	K 500, 000 (US\$ 100.00)	Replacement K2, 000,000 (US\$ 400)
Occupation Change	K1, 500,000 (US\$ 300.00)	

**Exchange Rate: US\$ 1.00 = K5, 000.00 as at January 2012**

All projects under the ZDA priority economic sectors will indicate to ZDA their expatriate requirements and once approved ZDA will write recommendation letters to the Immigration Department to assist the companies obtain the necessary self employment and work permits for their expatriate staff.



## 5. INFRASTRUCTURE

### Road Network

The Government of Zambia has begun the process of rehabilitating the road network in the country which covers 38,763 km. A five and ten year Sector Investment Programme, estimated at US\$411.9 million and US\$860.3 million respectively, has continued to generate interest and an impressive support from the World Bank.



*Building of new infrastructure*

International highways link Zambia with South Africa, Zimbabwe, Mozambique, Malawi, Tanzania, the Democratic Republic of Congo and Namibia.

International road highways link Zambia to nine countries Tanzania, Congo DR, Botswana, Namibia, Zimbabwe, Mozambique, Angola, Malawi and South Africa. The local highways lead to all provincial centres and towns.

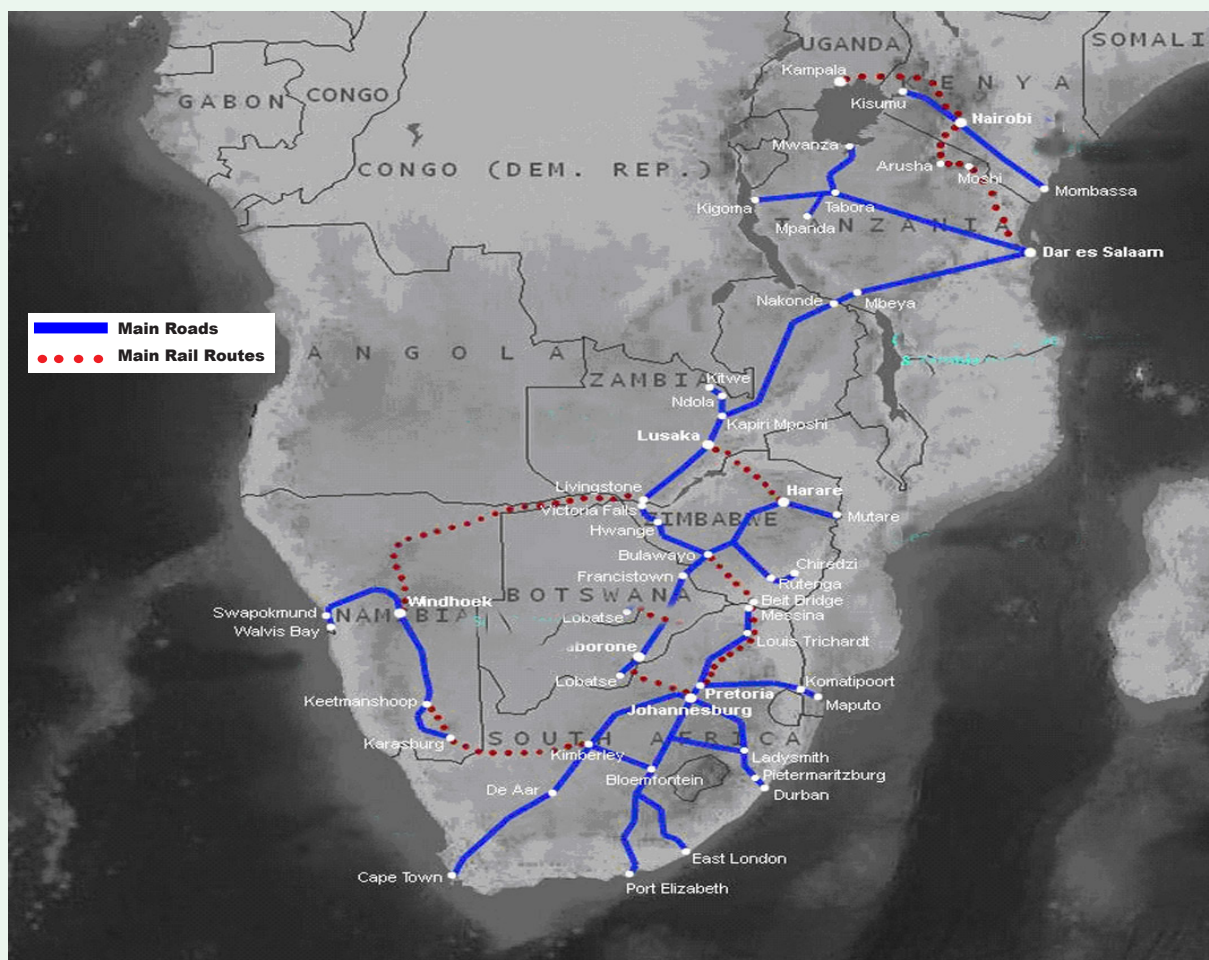
### Road links to Seaport

### Seaports



*Neighbouring international seaports link Zambia to the world*

- a) **Beira Corridor** – The Corridor stretches from Beira in Mozambique via Zimbabwe and Zambia to Lubumbashi in Congo DR. The corridor is transversed by road with a total length of 1,580 Km and by rail with a distance of 2,558 km.
- b) **Nacala Corridor** - The corridor stretches from the Port of Nacala in Mozambique via Malawi to Lusaka in Zambia. Nacala can be accessed by road from Lusaka a distance of 1,774 km and by road/rail combination measuring 604km of road and 1,140km of rail.
- c) **Durban Corridor** - The corridor has road, rail and road/rail combination of network from Durban in South Africa via Zimbabwe, Botswana, and Zambia to Congo DR border. The length of the road via Beit Bridge on the Zimbabwe-Zambia border to Congo DR border is 2,611km, while the length of the road to Lusaka via Plumtree on the Botswana-Zimbabwe border is 2,524km. The length of the rail route via Plumtree to Congo DR is 2,510km while the road/rail combination is 304km and 2,227km rail.
- d) **Dar-es-Salaam Corridor** - The Corridor stretches from Dar-es-Salaam in Tanzania to Harare in Zimbabwe via Lusaka. The road/rail combination is 304km road and 2,176km rail.
- e) **Walvis bay Corridor** - This corridor stretches from Walvis Bay in Namibia to Bujumbura in Burundi via Katima Mulilo on the Zambian-Namibia border. The road/water combination is 3,151km road and 650km.
- f) **Mpulungu Corridor** - This Corridor services Lusaka and Malawi via Chipata on the Zambia-Malawi border to Mpulungu and Great Lakes Region. The distance between Lusaka and Kigali is 1,390km by road and 650km by water.





## Airports

There are four international airports; Lusaka, Livingstone, Ndola and Mfuwe (for chartered flights only); five secondary airfields and five airstrips serve international and domestic flights.

The Lusaka International Airport is Zambia's main airport connecting the country with the rest of the world. Lusaka Airport is complimented by three smaller airports at Ndola, Livingstone and Mfuwe, as well as secondary airfields at Chipata, Kitwe, Kasama, Mongu, Solwezi and Mansa. The Lusaka International Airport is approximately 20km from the city centre.

Zambia has no national airline but is served by a number of airlines that connect to international routes via Johannesburg, Cape Town, Nairobi, and Dar-Es-Salaam. Zambezi Airlines is a privately run airline with regional flights to Johannesburg and local flights to various destinations within the country. The country recently adapted an "open sky policy" and is currently encouraging the establishment of an air cargo hub for the Southern African region.

## Flights to and from Zambia

There is a thrice-weekly British Airways flight from the Lusaka International Airport to London. Other international airlines operating in Zambia include South African Airways, Kenya Airways, Ethiopian Airlines KLM, Emirates and Nationwide.

For most international business people, the best and most direct route would be to fly to Johannesburg in South Africa and connect by a 2 hour flight to Lusaka. However options via Addis Ababa or Nairobi are also available.

## Road Network

The government of Zambia has embarked on the process of rehabilitating the road network, which covers 38,763 km of which 6,173 km are bitumen, 8,592 km gravel and 23,998 km is unclassified. A five and ten year Road Sector Investment Programme, estimated at US\$ 411.9 million and US\$ 860.3 million respectively, has continued to generate interest from the multilateral and bilateral agencies as well as the private sector.

## Rail Network

Rail network remains the dominant mode of transportation (83.4%) for goods on the local and international routes, stretching for about 2,100 km. However, the infrastructure requires urgent rehabilitation, and with the support from Donors, the formerly state-owned Zambia Railways was privatized through a 25-year concession to Railway Systems of Zambia.

Another major rail line links Zambia with Tanzania, is jointly owned by the Zambian and Tanzanian governments and is run by Tanzania-Zambia Railway Authority (TAZARA).

The recent opening of the Chipata-Mchinji railway link opens up some new and exciting opportunities for the private sector players in Zambia, Malawi, and Mozambique. Although the railway link is only 24 kilometres long, it provides connectivity into the Malawi railway network and further connects Zambia to the northern Mozambique railway network.

## Energy

Zambia has abundant energy resources. The most important source of energy is electricity and this is generated by three major hydro-electric power stations. Other energy resources are petroleum, coal and wood.

## ELECTRICITY TARIFFS (2011)

1.	METERED RESIDENTIAL TARIFFS	ZMK	US\$
	R1 - Consumption up to 100 kWh Energy charge / kWh	152.00	0.15
	R2 - Consumption 101 to 400 kWh Energy charge / kWh	250.70	0.05
	R3 - Consumption above 401 kWh Energy charge / kWh	408.62	0.08
	Fixed monthly charge	14,629.31	2.93
	Pre-paid Energy charge / kWh	278.33	0.06
2.	COMMERCIAL TARIFFS - 15kVA		
	C1 – Consumption up to 700kWh Energy charge / kWh	266.13	0.05
	Fixed monthly charge / kWh	47,753.13	9.55
3.	SOCIAL SERVICES TARIFFS		
	Water pumping, Street Lightening Fixed Monthly Charge	41,515.95	8.30
	Schools, Hospitals, Churches, Orphanages Energy Charge/kWh	239.40	0.05
4.	MAXIMUM DEMAND TARIFFS		
	(I) MDI - CAPACITY BETWEEN 16 - 300kVA		
	Maximum Demand Charge /kVA/Month	11,690.00	2.34
	Energy Charge/kWh	168.08	0.03
	Fixed Monthly Charge	114,497.08	22.90
	(II) MD2 - CAPACITY BETWEEN 301 – 2,000kVA		
	Maximum Demand Charge/kVA/Month	21,871.21	4.37
	Energy Charge/kWh	143.45	0.03
	Fixed Monthly Charge	2,228,992.72	45.80
	(III) MD3 CAPACITY BETWEEN 2001 – 7,500 kVA		
	Maximum Demand Charge/kVA/Month	39,717.21	7.94
	Energy Charge/kWh	127.23	0.25
	Fixed Monthly Charge	551,563.44	110.30
	(IV) MD4 CAPACITY ABOVE 7,500 Kva		
	Maximum Demand Charge/kVA/Month	39,938.12	7.99
	Energy Charge/kWh	104.97	0.02
	Fixed Monthly Charge	1,103,125.30	220.63

**NOTE:**

The above tariffs are inclusive of:

- (a) 3.0% Rural Electrification Levy
- (b) 16.0% Value Added Tax (VAT)

*Source: Zambia Electricity Supply Corporation (2012)*





*Growing power lines reflect dynamic infrastructure development*

#### WATER TARIFFS

METERED DOMESTIC CUSTOMERS		UNMETERED DOMESTIC CUSTOMERS	
Consumption Block (in cubic meters)	US\$ per cubic meters	Customer Category	US\$ per cubic meters
0 to 6	0.48	Low Cost Households	15.3
6 to 30	0.54	Medium Cost Households	29.6
30 to 100	0.62	High Cost Households	66.0
100 to 170	0.76	Communal Tap	2.0
Above 170	0.96	Kiosks	0.25

Exchange Rate ; 1 US\$ = K5000.

OTHER CHARGES	FEE	
	Kwacha	USD
Communal taps: charge per household per month	3,000	0.6
Sewerage services(% of water consumed); Domestic	30%	
Others	45%	
Leak detection fee	50,000	10.00
Reconnection fee (domestic)	70,000	14.00
Reconnection fee (others)	200,000	40.00
Fixed charge per month (domestic)	4,000	0.80
Fixed charge per month (others)	10,000	2.00

Exchange Rate ; 1 US\$ = K5000.

MAXIMUM VOLUME FOR ASSESSING UN-METERED CUSTOMERS			
Category and Area	Maximum Volume	Maximum Assessed Billing	
		Kwacha	USD
<b>Low Cost Area</b> (e.g. Matero, Mtendere, Kaunda Square etc)	30 m3	21,600	4.32
<b>Medium Cost Areas</b> (e.g. Kabwata, Kamwala, Libala, parts of Chelstone etc.)	45 to 55 m3	44,100	8.82
<b>High Cost Area</b> (e.g. Kabulonga, Woodlands, Roma, parts of Chelstone etc.)	120 m3	115,606	23.12

**N.B**

1. Discharge of effluent costs K1,300 (US \$ 0.26) per 1 000 litres of disposal  
Source: Lusaka Water and Sewerage Company Limited.

**Telecommunications**

Zambia is a member of INTELSAT and accesses an earth satellite station, which provides telex, telephone and television links with the rest of the world. Broadband internet connections are easily available and are efficient and reliable. The types of broad bandwidth in Zambia, uses both fixed and wireless broadband internet access. The fixed broadband internet access or ISDN is dominated by the formerly state owned Zambia Telecommunication (Zamtel) while other internet service providers use MMDS wireless broadband internet access.

The government, which retains a 25 percent stake in Zamtel, continues to play a role in the management of the company by retaining two seats on the board of directors and also holds veto rights on some decisions. ZAMTEL also runs Zambia's fixed line network and also has a mobile network, Cell Z, which competes with the other mobile network providers in the country - Airtel Zambia and MTN.

Over 97 percent of the telephone exchanges are automatic. In the main urban centers public telephones and privately operated cellular telephone networks are already in place. All towns are now fully covered by cellular telephone network.

**Fibre Optic**

Currently there are three Zambian companies that have been licensed to operate as national Carrier of Carriers and have opted to lay fiber optics as a technology of choice. These are; the Zambia Electricity Supply Corporation ([www.zesco.co.zm](http://www.zesco.co.zm)), the Copperbelt Energy Corporation (CEC) ([www.cec.com.zm](http://www.cec.com.zm)) and the Zambia Telecommunications Company ([www.zamtel.zm](http://www.zamtel.zm)).

ZESCO and CEC have completed laying their fiber optic networks. CEC has invested a total of US\$ 9 million in the fibre network connecting all Copperbelt towns. ZESCO has completed about 1,200km from the Western Province via Livingstone-Lusaka- Ndola-Kitwe-Chingola-Solwezi to Lumwana in North Western Province. A complete installation countrywide to form the core backbone requires about 3,700km of fibre with an estimated cost of US\$13 million.

ZESCO and CEC fibre is available at 2.5Gbps. ZAMTEL have started laying fibre optic cables in underground trenches to complement their DSL links (in multiples of 64k) between major cities. The ZAMTEL fibre optic network will cost about US\$48 million.

The entire network by the three companies is to connect Zambia to the undersea cable through the EAssy Project or the SAT 3 cable of the west coast side of Africa through Namibia/Angola. The fibre will also interconnect to Zambia's eight (08) neighbouring countries.

### Multi Facility Economic Zones (MFEZ) - The Wave of the Future

The Government has also approved the establishment of Multi Facility Economic Zones (MFEZ). These will be industrial areas for both export orientated and domestic orientated industries, with the necessary infrastructure provided.

Catering for both Domestic and Foreign Investors all MFEZ's will have within or in close proximity the following features:

- a. Industrial land, cleared, zoned and ready for construction! Speedy approval of building plans, grant of titles etc.
- b. Road and / or rail linkages to ports (air and sea) and major internal markets.
- c. Electricity – adequate, without voltage fluctuations, blackouts, etc.
- d. Water, uninterrupted supply and depending upon needs – treated or untreated.
- e. Telecommunications – international direct dialing, fax, direct computer linkage to parent company overseas, etc.
- f. Waste disposal systems – both toxic and non-toxic wastes.
- g. Executive housing for expatriate and senior staff (and adequate housing for other local staff).
- h. International school for expatriate children- Initial Government support will be required until sufficient numbers of students are reached, for them to be independent.
- i. First class hotel facilities, for visiting senior official and staff on temporary assignments, etc (in proximity to zone).
- j. Adequate medical facilities.

**Note:** g, h, i, j above, can be, but need not be within the physical area of the zone.

Four MFEZ have so far being declared and are under construction;

#### 1. The Chambeshi MFEZ

The Chambeshi MFEZ, being developed by the Zambia-China Cooperation Zone (ZCCZ) Limited, is an MFEZ with a total area is 4,100 Hectares located in Chambeshi in the Copperbelt Province of Zambia. The Chambeshi MFEZ is currently operational and was established by China Nonferrous Metal Mining Group with the support of both Governments of Zambia and China.

The MFEZ was declared through a Statutory Instrument in 2008, and already several enterprise mainly Chinese businesses have established in the area, including a copper smelter servicing the mines on the Copperbelt province of Zambia. The total investments in the Chambeshi MFEZ are expected to reach US\$ 900 million in the next three years.



## 2. The Lusaka South MFEZ

This Lusaka South MFEZ is being planned on a 2,100 hectares piece of land located in the southern part of Lusaka; about 15 kilometres from Lusaka City and approximately 35 kilometres from the Lusaka International Airport. The Government of Zambia, supported by JICA and the Malaysian Kulim Hi-Tech Park (KTPC) have finalized a Development Master Plan for the launching of the Lusaka South (MFEZ). The zone will accommodate fifty to sixty zone enterprises with an output volume exceeding US \$1.5 billion of which more than US\$ 600 million would be exported while employing more than 6,000 local people. The MFEZ is expected to be ready for investment by 2012.

## 3. The Lumwana MFEZ

The Lumwana MFEZ is anchored on the Lumwana Mine and will facilitate investments of US\$ 1.2 billion by over 90 enterprises in various sectors, employing 13,000 people by the year 2020. The economic zone is being established on 35,000 hectares of land on the Lumwana Mine area in Solwezi district in North Western Province.

## 4. The Lusaka East MFEZ

The Lusaka East MFEZ is a sub zone of the Chambeshi MFEZ and is also being developed by the Zambia China Economic and Trade Cooperation Zone (ZCCZ) Limited. It is located on about 130 hectares of land situated in the southern part of Lusaka International Airport. The MFEZ was declared in June 2010.

Several other areas have been identified for such similar MFEZs in Zambia. These areas are; in Ndola and Kasumbalesa both in the Copperbelt Province, and in Nakonde which is in the Northern Province.

In responding to the need for value addition on raw materials and to boost the manufacturing sector, the Government of Zambia has also embarked on setting up industrial parks around the country. The industrial parks have the same features as the MFEZ except that they are smaller in size, and all approval processes for developing the industrial parks, and operating in the parks are the same as those of the MFEZ. The minimum size of the industrial parks is 6 hectares.

Two industrial parks have so far been approved;

### 1. The Roma Industrial Park

The Roma Industrial Park is located about 20 km north east of the Lusaka International Airport on 130 hectares of land. The industrial park was approved in June 2010 and is being developed by a private company called CPD Investments Limited. The park will consist of a residential village, retail park, office accommodation, warehousing facilities, a light industrial area and specialized husbandry. A total of US\$ 48.6 million investments are expected to be undertaken in the Roma Industrial Park over the next 3 years, and employ 4,000 people.

### 2. The Sub Sahara Gemstone Exchange Industrial Park

The Sub Sahara Gemstone Exchange Industrial Park is located on about 115 hectares of land in Ndola District on the Copperbelt Province of Zambia, about 300 kms north-west of Lusaka. The industrial park was approved in June 2010 and is being developed by a private company called Sub Sahara Gemstone Exchange Limited. The park will house gemstone related businesses such as

## How does a company qualify to develop an MFEZ

Company identifies land for the development of the MFEZ and seeks approval in principle from ZDA that area is suitable

Once approval of suitability is obtained, Company prepares a masterplan of the MFEZ

Company submits application for an **MFEZ Developer Permit** to ZDA, upon payment of K 100,000 (US\$ 20) Processing Fee. Application must demonstrate that the project meets the following condition:

- Investment of not less than US \$ 500,000

ZDA scrutinizes the application with a multi sectoral team of local experts , in consultation with the applicant company.

The application is then submitted to the ZDA Board for approval

Once application is approved, ZDA recommends to the Ministry of Commerce to issue a Statutory Instrument for declaration of the MFEZ

The projects that will qualify for incentives if located in the MFEZ include production of the following products in priority sectors;

- Manufacturing
- Floricultural and Horticultural Products,
- Processed Foods,
- Beverages and Stimulants- Tea and Coffee,
- Textiles - Cotton, Cotton Yarn, Fabrics and Garments,
- Engineering Products - Copper Products, Iron Ore, Steel and Colbalt,
- Leather Products,
- ICT Products,
- Health Services,
- Education Services

## How does a company qualify to operate in an MFEZ

Company submits application for an **MFEZ Operator Licence** to ZDA upon payment of K100,000 (US\$ 20) Processing Fee, and accompanied by the following documents:

- Certified copy of Company Registration / Incorporation
- Certified copy of certificate of share capital
- Certified copy of a certificate of share capital
- Certified copy of list of shareholders and / or directors
- Business plan and / or feasibility study
- Verifiable evidence of project finance
- Brief resumes / CVs for shareholders and/or directors
- Letter from MFEZ Developer welcoming the Project to be located in the MFEZ
- Clear statement on how the project, if approved will contribute to the country's economic growth and development.

The application is then submitted to the ZDA Board for approval

Company qualifies for incentives if its

- investment is to the value of US \$ 500,000 or more
- investment is in a prority sector

Once application is approved, the ZDA Board issues applicant company with an MFEZ Licence





lapidaries and minerals processing businesses such as copper electro wining and processing. The total planned investment in the Sub Sahara Gemstone Exchange Park is US\$ 8 million and with 6,000 planned jobs.

## LAND

The land tenure in Zambia is 99 year leaseholds.

### Acquisition of Land by Non Zambian Investor:

A non-Zambian investor can acquire land if;

-  He/She is a permanent resident in Zambia
-  The project is investment project in accordance with the ZDA Act

ZDA is in the process of setting up land banks for easy access to land available for investment in the priority sectors. The land banks comprise of already demarcated plots and the process of acquiring these plots is fast tracked from application for the land on behalf of the licenced investor, to approvals from the local authorities, up to the Commissioner of Lands.

### Land Available for Investments

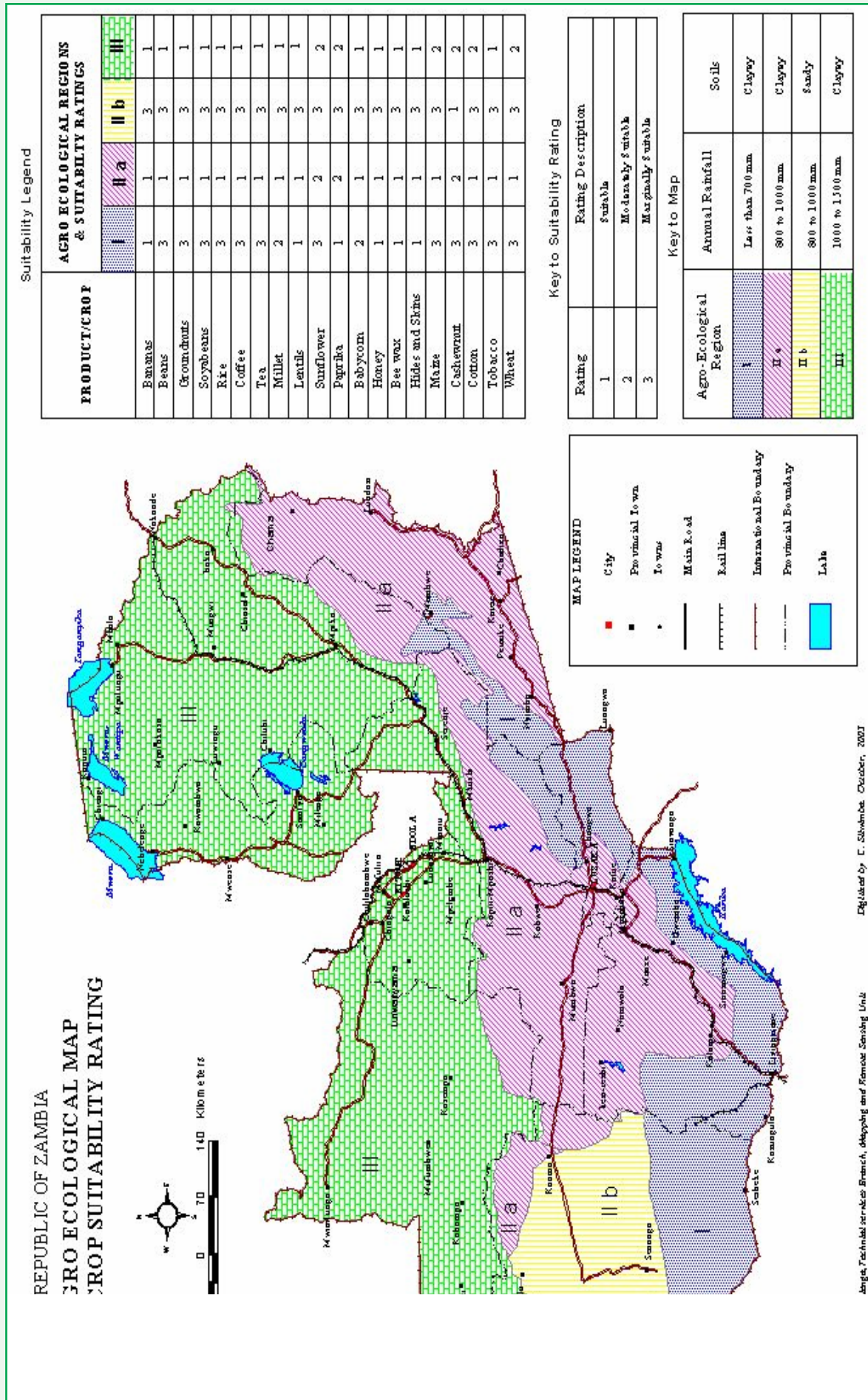
#### a) Agricultural Land:

The Government has embarked on a land development programme which involves opening up new farming blocks for commercial development and expansion of the agriculture sector. As at December 2010 the following farm blocks have been identified for potential investors:

Farm Block	Province	District	Size (Ha)
Nasanga	Central	Serenje	155,000
Kalumwange	Western	Kaoma	100,000
Luena	Luapula	Kawambwa	100,000
Manshya	Northern	Mpika	147,000
Mikelenge/Luma	North-Western	Solwezi	100,000
Musakashi (SADA)	Copper-belt	Mufulira	100,000
Muku	Lusaka	Kafue	100,000
Simango	Southern	Livingstone	100,000
Mwase-Phangwe	Eastern	Lundazi	100,000

Each farming block is designed to have at least one core large-scale farm (core venture) of 10,000 hectares, several commercial farms of 1,000 to 5,000 hectares and small farm holdings of between 30 to 3000 hectares preferably under out grower arrangements. Farm blocks provide both local and international investors ready access to already surveyed land for agro productions purposes. Currently, the government has identified three priority Farms Blocks - the Nasanga, Kalumwange and Luena blocks. For these three, the government is providing and installing basic infrastructure and facilities such as trunk roads, bridges, electricity, dams, schools and health centres. Other farm blocks, a above will be developed in stages.





Among the non-traditional crops with potential and are prioritized for investments include cotton, coffee, tobacco, sugarcane, pineapples, cashew nuts, cassava and horticultural/floricultural crops. Foreign investments have already been approved in principle for new crops such as jatropha, moringa and stevia and land approximating 100,000 hectares have been approved for each.

### b) Industrial Land:

Industrial land in the capital city Lusaka is located on the western part of the city. Every city in Zambia is zoned an industrial area where all manufacturing activities can take place. It is also where an investor wishing to set up an industry can do so.

In order to expand the country's manufacturing base and enhance national competitiveness, the Government is establishing industrial parks and will extend tax incentives under the ZDA Act to developers of, and investors in Multi- Facility Economic Zones. Two types of MFEZ are being promoted: Production MFEZs for manufacturing related businesses and Export Trade MFEZ for commercial trading, warehousing etc. to exploit export markets.

In addition, developers of industrial parks will qualify for the above incentives if:

- i. The layout of the development plan is approved by the relevant planning authority;
- ii. The park to be developed is at least 15 acres in size;
- iii. The park will have paved roads; and
- iv. Water and electricity supply within the park is provided.

These measures are aimed at attracting both local and foreign investors to open up and invest in the MFEZ and industrial parks across the country.

ZDA will assist all investors to identify suitable land for economic activities and ensure its proper allocation according to existing laws and regulations.

### c) Acquisition of Commercial Land in Private Ownership:

Land in private ownership can be bought and sold and title deeds issued by the Commissioner of Lands. In all instances 'State Consent' will have to be obtained by the vendor before title deeds can pass to the purchaser. Before a land can be bought or sold 'State Consent' must be obtained. The consent is issued by the Commissioner of Lands on application. If consent is not granted within 45 days of filing the application, the application is deemed to be granted. If consent is refused, the reasons for refusal must be furnished to the applicant within 30 days.

#### Indicative Costs of Commercial Land:

<u>Locations:</u>	<b>Cost per meter square:</b>	
	<u>Industrial Zones</u>	<u>Other Areas</u>
Lusaka	US\$ 40	US\$ 20
Copperbelt	US\$ 20	US\$ 15
Livingstone	US\$ 12	US\$ 10



## 6. HUMAN RESOURCES



*A Glimpse of Zambia's workforce*

Legislation governing the rights and obligations of employers and employees is mainly contained in the 1993 Industrial and Labour Relations Act, which among other things, contains the principle of employee involvement, through the medium of works councils. The Act also sets out a framework for the role of the employer/employee negotiations and prescribes the conditions under which industrial action may be called. The Act confirms the Industrial Relations Court as the final arbiter of disputes.

“

*We employ 800 workers. There is a harmonious working relationship with the workers in our group. The workforce is intelligent and is adaptable to new technical advancements very quickly. The commitment to work is good. There are no working days lost due to strikes in our establishments since its inception. The present economic environment in the country is very attracting and conducive in Zambia.*

”



**Mr. Mohmed Seedat, Group Chairman, Melcome Group of Companies**

(Melcome Group of Companies is in the business of plastics manufacturing, sales and distribution, pharmaceuticals manufacturing and distribution, engineering industry, financial services and shoe manufacturing. The company has been in the business for the last 50 years).

In line with the government's liberalization policy, Zambia's labour relation continues to be under review and both the Employment Act and the Industrial and Labour Act were amended in the last quarter of 1997. The Government is opening up the labour market and in the process playing a very limited role.








## HUMAN RESOURCES

-  Recognizing that the ideal wage levels result from collective bargaining between employers and trade unions, the Government is seeking to create an environment that allows only for minimum involvement from the Government.
-  The number of registered trade unions had increased from 19 by end of 1996 to 26 by 1998.

A number of legislations have been enacted to protect the rights of both employers and employees to ensure a harmonious human resource situation for rapid economic development. These legislation are being constantly evolved to meet the challenges of a modern globalized Zambia. These include the following:

**a) Employment Act Cap 268.**

This is the basic employment law and provides for the basic employment contractual such as:

-  Minimum contractual age
-  Establishment of employment contracts
-  Settlements of disputes
-  Appointment of labour officers, and
-  Certain conditions of employment, such as ordinary leave, sick leave, maternity, redundancy and welfare of employees

**b) Industrial and Labour Relations Act Cap 269**

The Act provides for the conduct of industrial relations, the establishment of workers/ employers organisation, their registration and administration, and the settlement of disputes and consultative machinery.

**c) The Minimum Wage and Conditions of Employment Act Cap 276**

This Act enables the Minister to determine minimum conditions of employment for categories of employees not effectively covered through collective bargaining. Such employees include general workers, drivers and clerks.

**d) Employment of Young Persons and Children Act Cap 274**

The Act provides protection for young persons and children in the employment relationship. It is the major law against child labour and abuse.

**e) Employment (Special Provisions) Act Cap 270**

This is an enabling protection and may be activated only when a state of emergency is in place. Under this Act, various regulations may be promulgated with regards to labour and employment.

**g) Factories Act Cap 441**

Occupational health and safety in the factory and at places of work





### Working Conditions

There are normally two categories of employees namely the unionized and non-unionized (management) staff. Conditions of service for non-unionized employees are normally fixed by top management, while those for unionized employees are negotiated through collective bargain/ agreement.

### Basic Salaries, Wages and Allowances

The Minimum Wage and Conditions of Work Act provides for machinery for determining statutory minimum wages and other conditions of employment in industries or companies where conditions of employment are not regulated by a free collective bargaining.

Allowances, which are commonly added to the basic salary, include:

-  Housing
-  Transport
-  Children's medical and education
-  Water, electricity, holiday travel (usually for senior management staff)

### Indicative Monthly Wages




1. Management Workers – US\$ 2,500
2. Fresh Graduates – US\$ 1,400
3. Technical Staff – US\$ 1,000
4. O Level Graduates – US\$ 200
4. Manual Labour – US\$ 150
5. Non skilled workers (such as housemaids, gardeners, domestic chauffeurs, office helpers and others) are protected under the minimum wages conditions act, that requires that they must be paid a minimum of K 265,000 (US\$65) not including food, transport, allowances which can be negotiated.

“We have been engaged in business in Zambia for over 50 years. We are in the business of steel fabrication and machining. We employ 125 workers. Our experience with our employees is positive. Educated manpower is available. Their capacity and willingness to absorb skills is good. We have not experienced a strike in the last ten years. Since 1991, the opening up of the economy has led to an increasingly conducive business environment.”

**Mr Ashok Oza, Managing Director, Saro Agri Equipment**

All allowances are taxable at the same rate as the basic salary.

Other common non-cash benefits may include:





-  Transport to and from work
-  Subsidized meals in staff canteen
-  Sporting and recreation facilities

## HUMAN RESOURCES

### Pensions and Life Insurance

Membership of a pension scheme may be a condition of employment and most employers maintain a pension scheme for their employees with the National Pensions Scheme Authority (NAPSA). Employers may establish or join other pension schemes under the Pension Scheme Regulation Act.

Insurance companies that offer pension schemes include:

-  The Zambia State Insurance Corporation, a state enterprise
-  Madison Insurance
-  Professional Insurance
-  African Life Assurance




### Medical Coverage and Maternity Benefits

Employers are obliged, by the Minimum Wages and Conditions of Employment Act, to grant an employee full pay should illness make the employee unable to work, subject to production of a certificate from a registered physician. The maximum period for which such benefit may be given is three months at full pay, followed by three months at half pay.

Some employers provide health and medical coverage through membership to private clinics to which the employee and employer contribute equally. The Act also requires that maternity leave, for female employees, be paid up to 90 days provided such female employees have worked for a minimum of twenty-four months with their employers.

### Housing

The Employment Act requires employers to provide to employees one of the following:

-  Housing or housing allowance in lieu thereof
-  House loan or advance towards the purchase or construction of a house
-  Guarantee facility for a mortgage

### Working Hours

The normal working hours is 40 hours per week for office workers and 45 hours per week for factory workers. Office hours are normally from 08:00 hours to 17:00 hours Mondays through Fridays and 08:00 hours to 13:00 hours on Saturdays (for most companies outside the retail sector).

The normal weekly hours should not exceed 48 hours under the Minimum Wages and Conditions of Employment Act. Overtime work should be paid at one and half times the normal rate and twice the normal rate on weekends and public holidays.

### Paid Holidays

Employers are obliged, under the Minimum Wages and Employment Act, to grant paid leave of absence of not less than 24 days annually. It is, however, a normal practice for employers to provide employees with more leave days than that prescribed in the Act depending on the rank and nature of the employee's job.








### Special Leave

Employers are obliged, under the Minimum Wages and Conditions of Employment Act, to grant an employee 7 days paid leave on the death of an employee's spouse, child, mother or father. The Act also obliges the employer to provide for a funeral grant for a standard coffin, cash and food in the event of death of an employee, spouse registered child or dependant of the employee.

### Termination of Employment

A contract of employment may be terminated under the Zambian law through:

-  Resignation or Dismissal
-  Normal retirement or medical discharge
-  Expiry of contract
-  Redundancy
-  Death

### Zambian Public Holidays




1st January	New Year's Day	1st Monday July	Heroes Day
12th March	Youth Day	1st Tuesday July	Unity Day
Easter	Good Friday	1st Monday August	Farmers Day
Easter	Easter Monday	24th October	Independence Day
1st May	Labour Day	25th December	Christmas Day
25th May	Africa Freedom Day		

## 7. FINANCIAL AND BANKING SYSTEM

There is total freedom in the movement of currencies into and from Zambia. A company can bring in its funds and repatriate its capital and profits without any restrictions and conforming only to international monetary regulations such as prevention of money laundering activities. While investors may borrow to invest in Zambia, some financial institutions do not provide loans to non residents unless wholly owned Zambian company participants in the business.

The financial system of the country is regulated by the Bank of Zambia (BoZ), which is the country's Central Bank. The 1994 Banking and Financial Services (BFS) Act, recommendations of BASLE Committee on International Minimum Accounting Standards and the adoption of the Capital Assets Management Earning and Liquidity (CAMEL) rating system have all strengthened both on-site inspections and the efficacy of the Central Bank in supervising the commercial banks. Banks and financial institutions are registered and regulated under the Banking and Financial Services Act.

### Monetary System

-  Currency:       Zambian Kwacha (ZMK)
-  100 Ngwee:    1 ZMK
-  Denominations: Notes: K20, K50, K100, K500, K1000, K5000, K10000, K50,000
- Coins: None in circulation

**The Central Bank is in the process of currency rebasing by removing three zeros from the currency.**

**Exchange Rates:** Zambian Kwacha to Foreign currency (December 2011)

 US Dollar:	5,000
 EURO Dollar:	7,350
 British Pound	7,700
 South African Rand	690
 Japanese Yen	57
 Chinese Yuan	750
 Malaysian Ringit	1,300
 Indian Rupee:	101
 Singapore Dollar:	3,300

### Banking in Zambia

Zambia is served by a number of domestic and international banks which are playing a very positive role in economic development. A list of these banks is provided in appendix 1.

Since 2008 five (5) new international banks have established operations in Zambia; namely Access Bank from Nigeria, Ecobank from Togo, First National Bank from South Africa, International Commercial Bank from Malaysia and the United Bank of Africa from Ghana.

In addition the African Development Bank is also present in the country.

*Zambia became a member of the African Development Bank (ADB) Group in 1966. Since then the Bank has invested about US\$ 980 million in the Zambian economy. Of the total, US\$ 917 million has gone to public sector projects in the industrial sector, public utilities, agriculture, the social sectors and transport. The ADB has also supported private sector investments in Zambia valued at US\$ 65.07 million. The Bank also provided debt relief to the Government of Zambia under the Highly Indebted Poor Countries programme and the multilateral Debt Initiative valued at US\$ 452 million in 2006.*

### **ADB's Private Sector Support:**

*The Bank is supporting three operations in finance, mining and manufacturing projects in the private sector;*



*The projects in finance involve two lines of credit to the Zambia National Commercial Bank and Investrust Bank aimed at providing long term financing and partial credit guarantee facilities to enhance small and medium enterprises access to finance on more favorable and accessible terms.*



*In the mining sector the Bank supported the Lumwana Mining Company, based in the North Western Province of Zambia, with other financiers on its development of an opencast mine, the construction of a copper concentrate processing plant, a transmission line from Solwezi to Lumwana, water dam and tailings storage facilities and associated infrastructure.*



*In the manufacturing sector the Bank supports the SWARP Spinning Mills Limited, engaged in the production of yarn from raw cotton primarily for exports.*

All major credit cards are accepted in urban areas. ATM facilities are provided by commercial banks. Visitors with VISA and VISA Electron cards draw cash from VISA ATM's in Zambia. Traveler's cheques (TC) and hard currency bank notes can be cashed at banks, large hotels or bureau de change. (**Note:** proof of purchase of TCs is prerequisite to cashing at these outlets).

Over the years Bank's interest rates have shown a steady yet dramatic decline from 44.1% in 2000 to 27% in August 2010 (Bank of Zambia).

After having remained stable between 2000 and 2004, the Kwacha appreciated strongly towards the end of 2005 and the beginning of 2006. The appreciation of the Kwacha has continued into 2010, driven by the rising of copper prices and the country's attainment of the HIPC completion and the upward and favourable trend in non-traditional exports (exports other than copper and cobalt).









## 8. EFFICIENCY OF GOVERNMENT MACHINERY/ BUREAUCRACY

The Government of Zambia has committed itself to creating a business environment that benchmarks the best among dynamic developing economies.

To tackle the challenge that Zambia's landlocked situation may add to the cost of production and exports of goods, the Government of Zambia is dedicating itself to creating a competitive investment environment so that the Government Bureaucracy becomes a friend and an ally to all businessmen.

Realising that delay of Government approvals is a cost; the Government is undertaking a major initiative to streamline Government approval systems by the introduction of a Clients Charter and Integrated Approval System mechanism and also e governance.

The country has successfully made reforms in the ease of starting business as indicative of the following parameters

-  Business/company incorporation in accordance with the company law – 2 days
-  Application and approval of foreign currency account – 21 days
-  Tax Registration with Zambia Revenue Authority – 7 days
-  Investment License Approval - 30 days

### The Zambia Development Agency Act of 2006

The Zambia Development Agency (ZDA) Act No 11 of 2006, saw the establishment of the Zambia Development Agency which came into effect on January 1, 2007. This followed the merger of the following:

1. Zambia Privatization Agency
2. Zambia Investment Centre
3. Export Board of Zambia
4. Zambia Export Processing Zones Authority
5. Small Enterprises Development Board

In order to foster economic growth and development, Government created the Zambia Development Agency which is tasked with promoting trade and investment in Zambia as well as streamline bureaucratic procedures and requirements faced by investors. It is an institution that is client focused, encourages dialogue with the private sector and creates confidence in the public sectors support for business and overall private sector growth. The Agency encourages the private sector to take advantage of and benefit from international and regional trade agreements.

The ZDA mission is to promote development by providing effective and comprehensive facilitation and aftercare services, business development services and market information in order to attract investment and promote Zambian exports in a transparent, innovative, efficient and competitive manner that ensures stakeholder satisfaction. The ZDA is mandated to provide and facilitate support to micro and small business enterprises as well as to promote exports and globalisation. The Agency promotes greenfield investments through joint ventures and partnerships between local and foreign investors

### Speed of Approvals

In respect of foreign investors, the ZDA stands ready to provide the following services

- i. Ensure speedy approval of all Licenses by all Government agencies
- ii. Assist in obtaining work permits for expatriate staff
- iii. Assist in obtaining land for economic projects



## 9. DOMESTIC BUSINESS ENVIRONMENT

The ZDA's main aim is to foster economic development through a whole Zambia strategic view that will increase investment and trade levels across the whole country. The Agency will strive to develop an internationally competitive Zambian economy through innovations that promote high skills, productive investment, and increased trade.

### Joint Venture Partners

Foreign investors seeking joint venture partners can approach Zambia Development Agency (ZDA) which operates a registrar of investors together with project profiles of domestic investors seeking foreign investor partnerships. These domestic investors have been screened and are bona fide Zambian businessmen.

### For New Listing on the Lusaka Stock Exchange

The capital market has, following the establishment of the Lusaka Stock Exchange (LuSE) and the repeal of the Exchange Control Act in 1994, boosted the financial system. There are currently 16 listed and 11 quoted companies on the LuSE.

A discount of 2 percentage point from a normal corporate tax rate applicable to each sector; and a further 5 discount of 5 percentage points over and above the 2 percentage point for those companies that offer more than 33 percent of their shares to Zambians. The realised value of shares sold by the companies listed on the Lusaka Stock Exchange is exempt from property transfer tax.

### Business and Industry Association

Several business and industry associations exist and they are ready to assist all types of businessmen (Refer to Appendix 3 for contact details).



*The Lusaka Stock Exchange Building located in the central business area of Lusaka city*



## 10. QUALITY OF LIFE

Zambia is safe and friendly nation where foreigners can feel at home and go about their lives in comfort and security.

“

*I have had the privilege of living in Zambia for the last 3 years due to my work assignment as Resident Representative of JICA (Japanese International Cooperation Agency). I am very impressed with the political stability of the country and the recent election is a testimony of this. The Zambian people are polite and friendly. In my experience the political leadership of the country led by the President is very serious in developing the economy and I feel this country has a good future.*

”

**Mr. Shiro Nabeya, Chief Representative JICA**

### Housing

Availability of suitable expatriate accommodation is good in most urban areas. Quality accommodation include a 3-bedroomed, mostly unfurnished detached house standing in its own plot, often with a swimming pool and full security provisions.

Full range of furniture is available from local suppliers and it is also possible to have it made to order from quality Zambian wood at reasonable cost.

Furnished properties can be found including opportunity to rent a flat. New arrivals are recommended to contact reputable estate agents/realtors, who are listed in yellow pages as well as in a monthly publication called the Lowdown or in the daily newspapers.

Typical rentals for:

- a) One bedroom house/apartment – USD 1,500 and above
- b) Two bedroom house/apartment – USD 2,300 and above
- c) Three bedroom house/apartment – USD 3,000 and above
- d) One house within a housing complex with security – USD 3,500 and above

### Health

Zambia is on a high plateau (1,280 above sea level) is a fairly healthy place to live. Tap water in homes and hotels is treated but as precautionary measure should be boiled or chlorinated before drinking. There are many good privately run clinics and hospitals in Lusaka including good dental clinics for normal health problems. Super specialist medical centres are being developed and encouraged. Already, a key hole surgery specialist hospital from India is setting up a hospital in Lusaka.

### Vaccinations

- ☀ Cholera: required if visitors are coming from an infected zone
- ☀ Yellow Fever: required only if visitors have been in an infected zone a week prior to their arrival into Zambia
- ☀ Normal Anti-Malarial Precaution

### Education

The state educational system is Zambian oriented and therefore, expatriate parents must look for private schooling for their children. There are satisfactory private infant, primary and secondary schooling available in Lusaka and other parts of Zambia.

The schools commonly used at present by the international community are:

#### ***The International School of Lusaka (ISL)***

The school takes children through all stages through reception, primary and secondary education through IGCSE to International Baccalaureate (IB).

#### ***Baobab College***

This school runs on the South African schedule and has expanded to include secondary pupils up to GCSE level. The school is situated in Lusaka and has provisions for day scholars and boarders.

#### ***The American International School***

The school draws on several sources for curriculum standards, including US, UK and International Baccalaureate (IB). The school is located in Lusaka

#### ***The Lusaka International Community School (LICS)***

Prepare children for their respective national school systems.

#### ***The French School***

Located at the Alliance Francaise of Lusaka premises in Lusaka.



Other schools include Chengelo Secondary School in Mkushi, Simba International School in Ndola, and Musikili Primary School in Mazabuka, which all have provisions for day scholars and boarders.

Moreover, there are many nursery schools for children between 2½ to 6 years, which are mostly privately run and have a good reputation.

## Universities



*View of the University of Zambia*

There are three state-run universities in Zambia, one in Lusaka, one in Kabwe (Central Province) and another in the Copperbelt town of Kitwe. In addition, there are various other tertiary level institutions including the Zambia Institute of Chartered Accountancy Studies (ZICAS) in Lusaka as well as a number of private universities.

## Clothing

Zambians tend to be formal in their business wear. For business/office formal attire is normal. It can get very cold in the evenings around June and July. For the rest of European summer clothing is ideal.

## Shopping

There are a good variety of foodstuffs available from well-stocked supermarkets and mini-markets. Chemists, stationers and bookshops are well stocked.

Three shopping complexes were recently constructed in Lusaka, namely Manda Hill, Levy Junction and Arcades. These are modern and efficient and will provide for most of the expatriates household needs.

## Leisure Activities

Activities such as keep-fit, aerobic, weight training, golf, tennis, swimming training, indoor/ outdoor bowling, squash, rugby, horse riding and polo are available in Zambia. Lusaka has a very good selection of restaurants, cafes and cinemas, educational and cultural services are also provided by the Alliance Francaise of Lusaka (L' Alliance Française de Lusaka).

*Below: The Magnificent Victoria Falls – Investors could find a 'veritable pot of gold at the end of the rainbow'*





## QUALITY OF LIFE

Zambia has ample opportunity for camping and the scenery is beautiful. Weekend breaks are possible at safari lodges outside Lusaka or Kafue National Park or Lake Kariba.

The world famous Victoria Falls in Livingstone and the connecting gorges provide the best white-water rafting in the world as well as access to highest commercial bungi-jump in the world. Zambia also has a unique distinction to provide excellent walking safaris.



### Hotels/Accommodation

Zambia has a number of good business hotels/guests houses in Lusaka, Copperbelt and Livingstone. Glimpses of some of these used by foreign businessmen include:



#### Five Star Hotels:

- a) Taj Pamodzi Hotel, Lusaka (US\$ 300 for a standard double room per night)
- b) Southern Sun Hotel, Lusaka (US\$ 190 for a standard double room per night)
- c) Intercontinental Hotel (US\$ 212 for a standard double room per night)
- e) Cresta Golf View Hotel (US\$ 200 for a standard double room per night)
- f) Livingstone Sun (US\$ 200 for a standard double room per night)

#### Four Star Hotels:

- g) Mukuba Hotel (US\$ 150 for a standard double room per night)
- h) Chrisma Hotel (US\$ 110 for a standard double room per night)
- i) Protea Hotel (US\$ 130 for a standard double room per night)
- j) Savoy Hotel (US\$ 150 for a standard double room per night)
- k) Edinburgh Hotel (US\$ 120 for a standard double room per night)
- j) Another option is to use guest houses or lodges for short, medium or long staying guests, with or without living room and cooking facilities (ranging from US\$ 70 to US\$ 150 per night depending on the facilities).



## 11. TAXES AND INVESTMENT INCENTIVES

Zambia has an open economy with a POSITIVE INVESTMENT ENVIRONMENT, where Government's participation is minimized thus paving way for private sector participation.

The Government has recognized that its role is to create a conducive regulatory environment as well as providing the basic infrastructure to enhance private sector investment.

### Taxation and incentive structure in Zambia

The Ministry of Finance and National Planning (MoFNP) is responsible for the formulation of tax policy, while the Zambia Revenue Authority is responsible for administering the taxes.

The legislative framework of taxation is provided for in the Income Tax Act Chapter 323, VAT Act Chapter 331 and the Customs and Excise Act Chapter 322, of the Laws of Zambia.

#### (a) Tax Policy

##### *Company Income Tax (CIT)*

CIT rate for Zambia is 35 percent for both resident and non-resident companies.

For companies involved in agriculture, manufacture of chemical fertilizer and non-traditional exports, the CIT rate is 15 percent; for mining it is 30 percent; 40 percent on bank profits above K 250 million (USD 50,000).

##### *Personal Income Tax (PIT)*

All individuals are liable to tax on personal income accrued after deducting personal relief at a graduated rate as follows:

Monthly Income Bands:	Rates
K0 to K1,000,000 (US\$ 0 to US\$ 200)	0%
K1,000,0001 to K1,735,000 (US\$ 200 to US\$ 347)	25%
K1,735,001 to K4,200,000 (US\$ 347 to US\$ 840)	30%
Above K4,200,000 (Above US\$ 840)	35%

##### *Withholding Tax*

Zambia charges withholding tax of 15 percent on rental charges, dividends, interest payments, management fees and payments to subcontractors.

##### *Presumptive Tax*

A presumptive tax at the rate of 3 percent is charged on business income for small scale businesses below a turnover threshold of K200 million (USD 62,500) per annum.

##### *Indirect Taxes*

Zambia charges import duty on all imports at the varied rates of zero percent for capital and basic raw materials, 5 percent for other raw materials and equipment, 15 percent for intermediate goods and 25 percent for finished goods. There is also export duty charged on scrap metal.




### Tax Rates and Incentives

Personal	10 – 35%
<b>Corporate Tax</b>	
Manufacturing	35 %
Listed Companies (LUSE)	33%
Other Companies	35 %
Non Traditional Exports	15%
Mining	30%
Chemical Fertilizer Production	15%
Farming	10%

### (b) Incentive for Industry

#### Investment Incentives Under The Zambia Development Agency (ZDA) Act

Companies approved under ZDA priority economic sectors will be given the following incentives. Similar incentives will be available for approved projects within the Multi Facility Economic Zones (MFEZ)

-  Zero Tax on Profits made by companies in the priority Sector for a period of 5 years from the first year profits are made. For years 6 to 8 only 50% of Profits should be Taxed and for years 9 and 10, 75% of Profit should be taxed
-  Zero percent tax rate on dividends of companies operating under the MFEZ/priority sector for a period of five years from the year of first declaration of dividends. From year 6 to 8, only 50% of the profits should be taxed and for years 9 and 10, 75% of profits should be taxed
-  Zero percent import duty rate on raw materials, capital goods, machinery including trucks and specialized vehicles for five years for all priority sector Deferment of VAT on machinery and equipment including trucks and specialized vehicles imported for investment in the MFEZ/priority sector

Qualifying Priority Sectors entitled to the 5 years tax holiday as above:

1. Floriculture: Fresh flowers and dried flowers

There over 60 types of rose flowers and 7 varieties of summer flowers are grown in Zambia. Approximately 145 hectares of land, in the form of greenhouses is dedicated to growing rose flowers whilst summer flowers are grown in expansive open fields. Cut roses are mostly exported to Holland (70%) while the remaining is exported to South Africa.

2. Horticulture: Fresh and dried vegetables

A major exporter to the European markets with UK and Holland that make up about 80 %. These products range from baby corn, fine beans, courgettes, asparagus, leek okra and baby melons.

3. Processed Foods: Wheat flour and other processed foods
4. Beverages and stimulants
  - i. Tea and tea products



- ii. Coffee and coffee products
5. Production and the processing of the following products in the textiles sector:
  - i. Cotton
  - ii. Cotton yarn
  - iii. Fabric
  - iv. Garments
6. Manufacturing and Agro Processing
 






The manufacturing sector contributes about 11 % to national GDP and about 10 % to employment. The country's third largest employer of human resources.
7. Manufacturing of the following engineering products:
  - i. Copper products
  - ii. Iron Ore and steel
  - iii. Cobalt
  - iv. Other engineering products
8. Beneficiation of phosphates and any other related material into fertilizer.  
Beneficiation of rock materials into cement.
9. Production and processing of raw timber into wood products
10. Production and processing of the following products in the leather sector:
  - i. Cattle hides
  - ii. Crust leather
  - iii. Leather products
11. Building of mini-hydro power stations
12. Education and skill training
13. Information and Communications Technology (ICT):
  - i. Development of computer software
  - ii. Assembly/manufacture of ICT equipment
14. Health:
  - i. Manufacture of pharmaceutical products
  - ii. Repair and maintenance of medical equipment
  - iii. Provision of laundry services to medical institutions
  - iv. Ambulance services
  - v. Medical laboratory services
  - vi. Diagnostic services
  - vii. Other medical services eg: setting up and operating a hospital, super specialist medical services, etc.
15. Tourism
16. Development of housing estate as defined under the National Housing Authority Act.

## TAXES AND INVESTMENT INCENTIVES

The following is the general incentive structure currently in place:




### Agriculture

#### *Income Tax*

-  10 percent tax on income from farming
-  50 percent depreciation allowance per year for the first two years on machinery used for farming
-  20 percent capital expenditure allowance per year for the first five years on farm improvements
-  10 percent development allowance per year, up to the first year of production, on capital expenditure on growing coffee, tea, bananas, citrus or similar plants
-  100 percent farm work allowance for expenditure on farm land, such as for stumping, land clearing, water conservation, etc

### Mining (base metals)

#### *Income Tax*



-  30 percent tax income from mining
-  Pre-production expenses deducted in the first year of production and other capital expenditures deducted in the year incurred.
-  10 years carry forward of losses

#### *Indirect Taxes*




-  Exemption from customs duty in respect of all machinery and equipment (including specialized motor vehicles) used for exploration and mining activities.

### Tourism

#### *Income Tax*



-  10 percent initial allowance and annual 5 percent wear and tear on buildings
-  50 percent depreciation allowance for machinery

#### *Indirect Taxes*




-  Zero rated hotel accommodation in the Livingstone district
-  Zero-rating of exportation of goods by a tourist
-  Zero-rating of the supply of an inclusive tour package by a tour operator or travel agent licensed as such by the Zambia National Tourist Board

### Manufacturing

#### *Income Tax:*

-  10 percent initial allowance and annual 5 percent wear and tear on buildings and structures
-  50 percent depreciation allowance for machinery

#### *Indirect Taxes*

-  Customs duty exemptions on most machinery and equipment used in manufacturing
-  Zero rate/reduced duty of certain raw materials
-  Import VAT deferment on eligible plant/machinery of a capital nature

Private investments are encouraged by the provision of a dynamic and efficient administrative and physical environment and by the provision of investment incentives as indicated below:

### General Investment Incentives

- ✿ Tax credit given where double taxation agreement exists
- ✿ Investors are permitted to establish bonded factories
- ✿ Small-scale enterprises are tax exempt for three and five years for urban and rural enterprises respectively. Customs duty and sales tax on equipment is exempt
- ✿ Exemption from customs duties on specified machinery and equipment (other than motor vehicles) required for the establishment, rehabilitation or expansion of eligible enterprises.

### Commerce

- ✿ Income from the export of non-traditional products (i.e. anything, other than copper and cobalt and electricity, produced or manufactured in Zambia but excluding services) is taxed at 15%.
- ✿ Income from the chemical manufacture of fertilizer is taxed at 15%
- ✿ Implements, machinery and plant used exclusively for farming, manufacturing, tourism and leasing: Capital allowances are calculated at the rate of 50% on cost

### Research and Development Incentives

A deduction is allowed in ascertaining the gains or profits of a business of any expenditure, not being of a capital nature, incurred by the business during the tax year on experiments or research relating to the business.

***Additional Investment Incentives are provided under Annual National Budgets:***

*Information on annual budget changes and new incentives introduced in the budget can be obtained from the ZDA Research Department: Contact: [smunkombwe@zda.org.zm](mailto:smunkombwe@zda.org.zm)*



## 12. IMPORT AND EXPORT CONSIDERATIONS

### 12.1. IMPORT PROCEDURES

#### a. Customs Clearance and Valuation

In order to clear goods through Customs, an importer must present the usual commercial documents such as bill of lading, airway bill and commercial invoice. The Import Declaration Form is used for statistical purposes, and no fee is required. For goods to be cleared at the border, the importer uses the Zambia Revenue Authority (ZRA) form CE 20, the standard form for entry and exit. Customs clearance can be accomplished within hours, if all forms are correctly completed.

#### b. Tariff Structure

Zambia applies tariffs on the c.i.f. (cost, insurance and freight) basis. Most tariffs are ad valorem, but a few specific tariffs remain. Zambia uses the international harmonized system. Zambia's tariff schedule is structured around four tiers: 0 %, 5 %, 15% and 25 % rates of duty. Virtually all raw materials and most industrial or productive machinery fall within the 0 and 5 percent tariff categories, while most imported intermediate goods are subject to 15 percent, and imported final products are rated at 25 percent. Zambia's simple average import tariff is about 14 percent.

#### c. Other Levies and Charges

Zambia levies excise duties on certain products at rates ranging from 3 percent to 145 percent. The excise duty is collected on mineral water, cane and beet sugar and some derivatives, beverages, tobacco and some derivatives and substitutes, electricity and petroleum products.

The Value Added Tax (VAT) of 16 percent applies to both goods and services, of domestic production and those that are imported. VAT is levied on the c.i.f. value plus customs tariff. Exemptions from VAT include social services such as health, education, and funeral services.

#### d. Import Restrictions

Import prohibitions are maintained for environmental, health and security reasons. Import licensing is required for most agricultural products. Zambia does not currently apply trade sanctions.

#### e. Sanitary and Phytosanitary Regulations

Sanitary and phytosanitary regulations are applied to imports of live animals, plants and seeds. A sanitary certificate from the exporting country is required as a prerequisite to the issuance of the veterinary permit. Food imports must satisfy the provisions of the Food and Drugs Act of September 1978 which requires packaging and labeling requirement for food, and standards for maize samp, rice and bread exist.

## 12.2. EXPORT PROCEDURES

Exporters must complete an export declaration form (standard customs authority form ZRA **CE 20**), mainly for statistical purposes. An original commercial invoice and a packaging list for shipment should accompany the form **CE20**. An airway bill or bill of lading for transportation of exports should be obtained either from the freight forwarder or the transporter being used. Zambia has no export taxes, charges and levies.

If there are preferences that are being claimed in the exporting market (e.g., reduced tariffs), then an appropriate stamped certificate of origin, from the ZRA is required. COMESA, SADC, EU and AGOA textiles have different certificates of origin.

If the good is a commodity covered by the Veterinary Department, a sanitary/phytosanitary certificate is needed. This is obtained from the Mount Makulu Research Station for seeds, stems, and fruits.

A very limited number of goods require a special export permit. Gemstone exports require a permit from the Ministry of Mines; timber requires a timber verification certificate from the Forestry Department.

## 13. ZAMBIA – CONNECTING THE WORLD



Zambia has, in the recent years experienced an increase in foreign investment from multinationals and foreign companies in different sectors of the economy.

Foreign direct investment enterprises have had a positive and favorable impact on the government treasury and creation of local employment. Some of the main foreign investors already operating in Zambia (either 100 percent foreign owned or joint ventures) include:

### 1. David Livingstone Safari Lodge – South Africa

David Livingstone Safari Lodge is a luxurious five star hotel located on banks of the Zambezi river in Livingstone. The hotel is part of the three cities hotels chain of South Africa and provides luxurious accommodation tourists, dinning and conference facilities and also has a beauty parlour. It also provides boat cruises along the Zambezi River. The hotel has invested US\$ 20 million in Zambia, employs 77 people, with an annual turnover of about US\$ 1.7 million.

### 2. Lunsemfwa Hydro Power Company - Norway

A privately owned power producer created after the privatisation of ZCCM. It has an installed capacity of about 40 MW and sells power to ZESCO under a power purchase agreement.

### 3. Hitachi – Japan

Hitachi Construction Machinery is one of the leading worldwide manufacturers of construction machinery in the world. The company established operations in Zambia in 2009 providing services mostly to the mines for product support for Hitachi machines including servicing, maintenance and repairs of earth moving equipment at the mines.

### 4. International Commercial Bank (ICB) – Switzerland

ICB was granted a license to operate a commercial bank in Zambia. ICB Zambia is owned by the ICB Financial Group Holdings listed on the London Stock Exchange. The bank has established commercial banking facilities in the Zambian capital of Lusaka and offers financial products such as consumer, commercial corporate, international and electronic banking.



## 5. **Kansanshi Mine - Canada/Australia**

Kansanshi copper and gold mine is located in Solwezi district, about 180 km from the Copperbelt Province of Zambia. The mine is owned by First Quantum Minerals Limited of Canada. The mine is an open pit mine and produces about 170,000 tonnes of copper ore, 93,000 tonnes of copper cathodes and 71,000 tonnes of copper concentrates annually. The mine has approximately 1,142 workers on a full time basis.

## 6. **Lafarge Cement Zambia Limited - France**

Lafarge Cement Zambia Limited is part of the Lafarge Group of Companies (France) It is the leading producer of cement in the country and also exports to countries with the Southern African region and East Africa. The company recently completed the construction of a US\$ 110 million dollar high tech facility at its main factory in Chilanga. This investment saw the company increase its annual cement production from 650,000 tonnes to 1,200,000 tonnes of cement, and an increase in their annual turnover by 33 percent to US\$ 95 million. The company employs 250 people.

## 7. **Lumwana Copper Mine - Canada**

Lumwana is owned by Barrick Gold of Canada and is the largest copper mine in Zambia. Barrick bought the mine for 7.26 billion Canadian Dollars and has over 2,500 employees during the initial construction phase. In addition, the large scale of investment into Lumwana has seen the building of new roads, supporting infrastructure and utilities, including business and recreational facilities which are of part of the new mining town. The mine has also started mining high grade uranium zones and uranium ore stock piles are being on site.

## 8. **Metal Fabricators of Zambia (ZAMEFA) - Canada**

Metal Fabricators of Zambia (ZAMEFA) is a subsidiary of Phelps Dodge International Corporation - one of the world's largest producers of copper and copper rods. ZAMEFA has 350 employees and it manufactures copper rod, bare copper wires, low voltage power cables (9,600 tonnes of cables are produced per month), overhead aluminum conductors, building wires, flexible telecommunication cables and wire cables, all worth about US\$ 220 million per annum. About 92 percent of the company's products are exported while the remaining 8 percent is sold locally.

## 9. **Multitrex – Nigeria**

The company has established cocoa plantations in the northern parts of Zambia, employing 150 people directly as well as 250 people indirectly. The company is working towards investing in a cocoa powder plant during its second year of operation in Zambia. At full implementation, the total investment by the company is projected to be about US\$ 15 million.

## 10. **Parmalat Zambia - Italy**

Parmalat Zambia is the Zambian subsidiary of the Parmalat International Group. It is involved in the manufacture and distribution of dairy products and has a large distribution network countrywide including leading supermarkets and other retail outlets. Apart from large scale commercial farmers, it also procures milk from small scale dairy farmers through milk centres established in most parts of the country.

### 11. **Varun Beverages - India**

The Company have established operations in Zambia to manufacture and distribute PEPSI branded carbonated drinks in Zambia. The company factory is based in the Zambian capital city of Lusaka, employing with over 100 people. The total investment by the company will amount to US\$ 30 million over a 6 year period.

### 12. **Taj Pamodzi Hotel - India**

In 1997, the TATA Group took over Pamodzi Hotel which had been Government owned, and managed to turn the property around and make it an efficient and successful operation. Pamodzi is a five star hotel located about 7 Km from the central business area of Lusaka. The hotel provides both accommodation and conference services to a range of local and international visitors and organizations.

### 13. **TATA Zambia - India**

TATA Zambia was established as a wholly owned company in 1977 and is part of the TATA Group. Very recently a motor vehicle assembly plant was commissioned by the then Late President Mr. Levy P. Mwanawasa in Ndola. Due to its success in other sectors, TATA Zambia has shown interest in constructing a hydro power station at an estimated cost of US\$ 120 million.

### 14. **Vedanta Mining Resources - India**

Vedanta is an Indian managed company which is registered in London, it registered in 2003 and their principal operations are in India. The core of Vedanta's asset lies in India, where they are domestic producers of aluminium, copper, zinc and lead. It acquired 51% shares of Konkola Copper Mines (KCM) which is the largest copper mining company in Zambia. They also have substantial assets in Australia with two copper mines.

### 15. **York Farms Limited – United Kingdom**

This is a joint venture between the University of Zambia and Lattice Management Consortium holding of the United Kingdom. The company produces vegetables and legumes, for export to the United Kingdom, Europe, South Africa, Australia and New Zealand, (in excess of 3,000 tons per year), and also for the local market. In addition the company rears 300 heads of cattle.

### 16. **Zambian Breweries Plc – South Africa**

Zambian Breweries is a Zambia-based company owned by SABMiller Africa. The Company, along with its subsidiaries, (which include Zambia Bottlers Limited, Copperbelt Bottling Limited and Northern Breweries Limited) is principally engaged in the production and distribution of beer and soft drinks.

### 17. **Zambia - China Cooperation Zone (ZCCZ) - China**

This is the first economic and trade zone to be approved by China to be established in Africa. The ZCCZ is located in Chambeshi, in the Copperbelt, and has been developed from a Greenfield site. The Zone will mainly be focused on the development of non ferrous metals industry. The company is expected to invest a total of at least US\$ 800 million in the next five years.

**18. Zambia Sugar Company – South Africa**

Zambia Sugar Company is owned by the Illovo Group of Companies of South Africa, and is currently the largest producer of sugar and sugar products in the country, employing over 3,500 people, and also runs out-grower schemes in Mazabuka District in southern Zambia. In 2008 the company undertook a US\$ 185 million expansion programme that saw it increase its annual sugar production from 200,000 tonnes to 400,000 tonnes per annum. Apart from the local market, the company also supplies the Southern African region and in the European Union, and has an annual turnover of about US\$ 160 million.

**19. The Royal Livingstone Hotel – South Africa**

The Royal Livingstone, a sophisticated five star Sun International hotel lies on the lush green forested banks of the Zambezi River in Zambia. The Hotel overlooks the Zambezi river and has already been named one of the leading hotels of the world - qualities of all Sun International Hotels.

**20. Airtel Zambia - India**

Airtel Zambia (former Zain Zambia) is the largest mobile telecommunications company in Zambia with over 3 million subscribers and has coverage in all the nine provinces of the country. Airtel Zambia employs over 860 people and also runs a business development services programme for local small market enterprises to whom it out sources its marketing and tower site maintenance functions.



## APPENDIX 1 – BANKS IN ZAMBIA

### A. International Banks

1. Access Bank Zambia (Nigeria). Head Office contact number: 211 260 227941.  
Email: [infor@accesszambia.com](mailto:infor@accesszambia.com).  
Website: [www.accesszambia.com](http://www.accesszambia.com)
2. African Banking Corporation (Zimbabwe).  
Head Office contact numbers: 211 260 257970-76,  
Email: [abz@africanbankingcorp.com](mailto:abz@africanbankingcorp.com).  
Website: [www.africanbankingcorp.com](http://www.africanbankingcorp.com)
3. Africa Development Bank (Inter-Governmental Bank). Head Office contact number:  
211 257868/9, Email: [afdb@afdb.org](mailto:afdb@afdb.org).  
Website: [www.afdb.org](http://www.afdb.org)
4. Bank of China Zambia (China).  
Head Office contact numbers: 211 260 238697, 238696, 238690,  
Email: [bankofchinazambia.com](mailto:bankofchinazambia.com), Website: [www.bankofchinazambia.com](http://www.bankofchinazambia.com)
5. Barclays Bank Zambia Limited (United Kingdom). Head Office contact numbers:  
211 260 228858, 220713, 220724. Email: [infor@barclays.co.zm](mailto:infor@barclays.co.zm).  
Website: [www.barclaysbankzambia.co.zm](http://www.barclaysbankzambia.co.zm)
6. Cavmont Bank (Namibia), Head Office contact numbers: 211 260 229508/12. Email:  
[info@cavmont.com.zm](mailto:info@cavmont.com.zm). Website: [www.cavmont.com.zm](http://www.cavmont.com.zm)
7. Citibank Zambia Limited (United States). Head Office contact numbers: 211 260  
229025-8, Email: [info@citi.com](mailto:info@citi.com). Website: [www.citibankzambia.com](http://www.citibankzambia.com)
8. Eco Bank from (Togo), Head Office contact number: 211 260 367315.  
Email: [ecobankzm@ecobank.com](mailto:ecobankzm@ecobank.com). Website: [www.ecobank.com](http://www.ecobank.com)
9. First National Bank (South Africa). Head Office contact numbers: 211 260 366800.  
Email: [fnb@fnbzambia.co.zm](mailto:fnb@fnbzambia.co.zm). Website: [www.fnbzambia.co.zm](http://www.fnbzambia.co.zm)
10. International Commercial Bank (Switzerland).  
Head Office contact numbers: 211 260 368700-2  
Email: [enquiry@icb-zambia.com](mailto:enquiry@icb-zambia.com)
11. Stanbic Bank Limited (South Africa). Head Office contact numbers: 211 260 229754,  
227440, 227438. Email: [stanbic@stanbic.co.zm](mailto:stanbic@stanbic.co.zm), Website: [www.stanbiczambia.co.zm](http://www.stanbiczambia.co.zm)
12. Standard Chartered Bank Zambia (United Kingdom). Head Office contact  
numbers: 211 260 229242, [customer.first@standardchartered.com](mailto:customer.first@standardchartered.com) Website:  
[www.standardchartered.co.zm](http://www.standardchartered.co.zm)
13. United Bank for Africa (Nigeria), Head Office contact numbers: 211 260 967 889779,  
Email: [infor@ubagroup.com](mailto:infor@ubagroup.com). Website: [www.ubagroup.com](http://www.ubagroup.com)

14. Intermarket Banking Corporation (Cameroun). Head Office numbers: 211 227227, intermakert@intermaketbank.co.zm, Website: www.intermarket.co.zm

### **B. Joint Ventures with Foreign Banks**

1. Finance Bank - Credit Suisse of Switzerland acquired majority shares in Finance Bank previously wholly Zambian owned. Head Office contact numbers: 211 260 229733, 220176, Email:fbz@financebank.co.zm, Website: www.financebank.co.zm
2. Indo-Zambia Bank Limited a bank which is jointly owned by the Zambian Government and three banks from India (Bank of Baroda, Bank of India and Central Bank of India). Head Office contact numbers: 211 260 224653/225080 Email: izb@izb.co.zm, Website: www.izb.co.zm
3. Zambia National Commercial - Bank Rabobank of the Netherlands acquired majority shares in Zambia National Commercial Bank Plc (ZANACO) which was a state owned commercial bank. Head Office contact numbers: 11 260 221358, 221360, Email: zanaco@zanaco.co.zm, Website: www.zanaco.co.zm

### **C. Indigenous Banks**

1. Development Bank of Zambia. Head Office numbers: 211 260 228576, 228581, Email: dbzmail@dbz.co.zm, Website: www.dbz.co.zm
2. Investrust Bank. Head Office contact numbers: 211 260 294682, 294685. Email: investrust@investbank.co.zm, Website: www.investrust.co.zm

## APPENDIX 2 – ZAMBIAN EMBASSIES AND MISSIONS ABROAD

### 1. Angola

Embassy of the Republic of Zambia  
Rua Rei Katyavala No.106/108, MACULUSSO, P.O. BOX 1406,  
LUANDA  
Tel 00244-222-447491, fax: 00244-444-441-763  
Email:zabiaembassy@snet.co.ao

and

Consulate General of the Republic of Zambia, 41 Rua Command ante Ernesto Velhina,  
LUENA  
Tel:00244-284-260090, fax: 00244-284-260087, Email: zamcgluena@hotmail.  
com,zambiaconsulate@znet.co.ao

### 2. Belgium

Embassy of the Republic of Zambia.  
469 Avenue Moliere, 1,050  
BRUSSELS  
Tel: 003223435649, Fax: 00323474333  
Email:zambia\_brussels@bruteele.be

### 3. Botswana

High Commission of the Republic of Zambia, Plot 1120, Queen's Rd,The Main Mall,  
P.O Box 362, GABORONE.  
Tel: 002673951951, Fax0026739539552  
Email:zahico@work.co.bw

### 4. Brazil

Embassy of the Republic of Zambia HIS QL 10 CONJ 06 CASA 10,  
LOGO SUL-BRASILLIA-DF  
CEP; 71630065, Tel: 00-55-61-3248-3277 Tel/fax: 00-55-61-3248-3494  
Email:zambiansbrasil@embaixadzambiaorg.br

### 5. Canada

High Commission of the Republic of Zambia, 151 Slater Street, Suite 205, Ottawa,  
ONTARIO K1P 5H3,  
Tel: 1613, 2324400 fax: 16132324410,  
Email: zhc.ottawa@bellnet.ca ww.zambiahighcommission.na

### 6. China

Embassy of the Republic of Zambia.  
5 Dong si jie san lit un  
BEIJIN, 100600  
Tel: 008610-65321554/65321778, fax: 008610-65321981, Email diplomat@zambiaembassy.cn

### 7. DR Congo

Embassy of the Republic of Zambia,  
54-58, Avenue de L'Ecole,  
BP1144, Gombe



KINSHASA

Tel: 00243-819999437, Fax: 00243-813016644

Email: zamkins@ic.cd

and

Consulate General of the Republic of Zambia.

Corner Ruwe/Lufira, Commune Lubumbashi

BP 596, LUBUMBASHI,

Tel/fax: 002432342264

Email zamcongen@lub.jobantech.cd

PO Box 10958,

CHINGOLA, ZAMBIA.

### 8. Egypt

Embassy of the Republic of Zambia.

17, Iran Street Dokki,

CAIRO

Tel: 0020237610281/2/3 fax: 37610833

Email: zamcai@tedata.net.eg

### 9. Ethiopia

Embassy of the Republic of Zambia

Higher 23, Kebele 12, Old Airport

P.O. BOX 1909, ADDIS ABABA

Tel: 00-251-113711302, Fax: 00-251-113-711566.

### 10. Nigeria

High Commission of the Republic of Zambia, Plot 351 Mission Road,

Central District area, Garki

ABUJA

Tel: 0023492347060 fax: 4618602/4618604

Email: info@zambiansabija.com

### 11. France

Embassy of the Republic of Zambia

18, Avenue de Tourville,

75007 PARIS

Tel: 0033156881270, fax: 00331568880350

Email: zambiansparis@wanadoo.fr

### 12. German

Embassy of the Republic of Zambia.

Axel-Springer Strasse 54A, 10117

BERLIN

Tel: 0049302062940, fax: 00493020629419

Email: info@zambiaembassy.de

www.sambia-botschaft.de

### 13. Ghana

High Commission of the Republic of Zambia, 4 Cedar Court, Augustino Neto Road, Airport Residential ACCRA

Tealeaf 00233-21-764705

Zamaccra@4u.com.gh

### 14. India

High Commission of the Republic of Zambia, D5/4, Vasant Vihar,  
NEW DEHLI 110057,  
Tel: 009111-26145883/26145764 fax: 26145764, Email:zambiand@sify.com

### 15. Italy

Embassy of the Republic of Zambia  
Via Ennio Quirino, Visconti 8,00193,  
ROME  
Tel: 0039-0696006903/  
0636002590 /0636088824  
Telefax: 0039-06-97613035  
Email:info@zambiaembassy.it

### 16. Japan

Embassy of the Republic of Zambia  
1-1-02, Ebara, Shinagawa-Ku  
TOKYO 142-0063  
Tel: 0081334910121/2 fax: 813349101123  
Email:emb@zambia.or.jp  
Web: www.zambia.or.jp

### 17. Kenya

High Commission of the Republic of Zambia, Nyerere Road (Opposite Uhuru Park)  
P.O. BOX 48741  
NAIROBI  
Tel: 0025420-2724796/99/2724850  
Fax: 00254-202710664/2718494  
Email:zambiacom@swiftkenya.com

### 18. Libya

Embassy of the Republic of Zambia  
El Madina El Siyahiya, Gergaresh  
P.O. BOX 91860, Dhat El Emad  
TRIPOLI  
Tel: 002184842757 fax: 00218214839950  
zemtripoli@gmail.com.zet\_libya@ltnet.net

### 19. Malawi

High Commission of the Republic of Zambia, Area 40/2, P.O. BOX 30138  
LILONGWE 3, Tel: 0026501772590/635 fax: 0026501773880  
Email:zambiahighcom@sdp.org.mw

### 20. Malaysia

High Commission of the Republic of Zambia, Suit 5 C, Menara mb7, Level 5,Jalan Sultan Ismail,  
KUALA LUMPUR-50250  
Tel: 0060321453616, fax: 0063021453619 Email:edwardmuteto@hotmail.com

### 21. Mozambique

High Commission of the Republic of Zambia, Avenida Kenneth Kaunda 1286.PoBox 4655,  
MAPUTO  
Tel: 00258021492452, fax: 0025821491893  
Email:zhcmap@tvcabo.co.mz

- 22. Namibia-** High Commission of the Republic of Zambia, 22 Sam Nujoma Drive  
Corner of Mandume Ndemufayo Road  
P.O. BOX 22882  
WINDHOEK  
Tel: 00264613276/1 Fax: 0026461228162  
Email:zahico@way.na
- 23. Russia**  
Embassy of the Republic of Zambia  
Prospect Mira 52A  
MOSCOW  
Tel: 0074956885001/6885092  
/6810752/6885083  
Email: zambiansmoscow@yahoo.com
- 24. South Africa**  
High Commission of the Republic of Zambia  
570 Ziervogel Street (off Hamilton Street)  
Arcadia P.O. BOX 12234  
PRETORIA  
Tel: 0027123261847/3261854 Fax: 3262140  
Email:hc@zambiapretoria.net
- 25. Sweden**  
Embassy of the Republic of Zambia  
Gardsvagen 18 3<sup>rd</sup> Floor  
P.O. BOX 3056 SE-16903 SOLNA  
Tel: 004686799040, Fax: 6796850  
Email:kate@zambiaembassy.se,www.zambiaembassy.se
- 26. Switzerland**  
Permanent Mission of the Republic of Zambia  
to the United Nations office in Geneva  
Chemin Du Champ d' Anier 17-19, 1209 GENEVA  
Tel; 004122788330/35, Fax: 004122788340  
Email:mission.zambia@ties.itu.int
- 27. Tanzania**  
High Commission of the Republic of Zambia  
Plots 5 &6 OHIO/SOKOINE Drive,  
P.O Box 2525  
DAR-ES-SALAAM  
Tel: 255222112977, Tel/Fax: 00255222125529  
Cell: 002557544  
Email:info@zhcdar.or.tz
- 28. United Kingdom**  
High Commission of the Republic of Zambia  
Zambia House, 2 Palace Gate,  
LONDON W8 5NG  
Tel: 00442075896655, 0044207 5812142, Fax: 00442075811353, Email:  
immzhcl@btconnect.com,zhcl@connect.zm, www.zhcl.org.uk

### 29. United States of America

Permanent Mission of the Republic of Zambia to the United Nations  
237 East 52<sup>nd</sup> street,  
NEW YORK NY 10022  
Tel: 001212888-5213, Fax: 212888-5213  
Email:zambia@aoi.com

and

Embassy of the Republic of Zambia  
2419 Massachusetts Avenue, NW WASHINGTON DC 20008  
Tel (202)2659717/8/9 Fax:(202)3320826  
Email:embzambia@aol.com

### 30. Zimbabwe

Embassy of the Republic of Zambia  
48 Kwame Nkrumah Road  
Zambia House  
HARARE



## **APPENDIX 3 – FOREIGN EMBASSIES AND MISSIONS IN ZAMBIA**

1. **Angola Embassy**  
Plot No. 6660, Mumana Road,  
P.O Box 31595  
**LUSAKA**  
Tel: +260-211-266422/291142
2. **Botswana High Commission**  
Plot No. 5201, Pandit Nehru Road  
P.O Box 31910  
**LUSAKA**  
Tel: +260-211-250555/250019
3. **British High Commission**  
Plot No. 6408, Diplomatic Triangle,  
P.O Box 50050  
**LUSAKA**  
Tel: +260-211-251133/251923/423200
4. **Canadian High Commission**  
Plot No. 5199, United Nations Avenue  
P.O. Box 31313  
**LUSAKA**  
Tel: +260-211-250833
5. **Chinese Embassy**  
United Nations Avenue  
P.O Box 31313  
**LUSAKA**  
Tel: +260-211-253687
6. **Consulate General of Senegal**  
Anglo-American Building, 2<sup>nd</sup> floor,  
P.O Box 50521, Ridgeway  
**LUSAKA**  
Tel: +260-211-257066
7. **Danish Embassy**  
Plot No. 5219, Independence Avenue  
P.O Box 50299  
**LUSAKA**  
Tel: +260-211-254277
8. **Embassy of Brazil**  
Manenekela Road, Woodlands  
P.O Box 33737  
**LUSAKA**  
Tel: +260-211-252171
9. **Embassy of Cuba**  
Plot No. 5574, Magoye Road, Kalundu  
P.O Box 33132,  
**LUSAKA**  
Tel: +260-211-291308
10. **Embassy of the D.R Congo**  
Plot No. 1124, Parirenyatwa Road,  
Fairview  
P.O Box 31287  
**LUSAKA**  
Tel:+260-211-2356790407/8
11. **Embassy of Finland**  
Haile Selassie Avenue House,  
P.O Box 50819  
**LUSAKA**  
Tel:+260-211-251988
12. **Embassy of France**  
Plot No. 74, (Anglo American Building)  
Independence Avenue,  
P.O Box 30062,  
**LUSAKA**  
Tel:+260-211-251322
13. **Embassy of Japan**  
Plot No. 5218 Haile Selassie Avenue,  
P.O Box 34190,  
**LUSAKA**  
Tel:+260-211-251555
14. **Embassy of Ireland**  
Plot No. 6663, Katima Mulilo Road,  
Olympia Extension,  
P.O Box 34923  
**LUSAKA**  
Tel:+260-211-291298/291234
15. **Embassy of Italy**  
Embassy Park, Diplomatic Triangle,  
P.O Box 50497  
**LUSAKA**  
Tel: +260-211-250755/250781
16. **Embassy of the Republic of Somalia**  
Plot No. 377A Kabulonga Road,  
P.O Box 34051  
**LUSAKA.**  
Tel:+260-211-263944/263944

- 17. Embassy of Russia**  
Plot No. 6407, Diplomatic Triangle,  
P.O Box 32355,  
**LUSAKA.**  
Tel:+260-211-252120/252183
- 18. Egyptian Embassy**  
UN Avenue, Corner of UN and  
Pandit Nehru Road, P.O Box 32428,  
**LUSAKA.**  
Tel:+260-211-253177
- 19. European Union**  
Plot No. 4899, Los Angeles  
Boulevard  
P.O Box 34871,  
**LUSAKA.**  
Tel:+260-211-250711/251140/25
- 20. Germany Embassy**  
Plot No. 5209, UN Avenue  
P.O Box 50120,  
**LUSAKA.**  
Tel:+260-211-250644
- 21. Ghana High Commission**  
Plot No. 28 Bwinjimfumu Road  
Rhodespark,  
P/B RW 50515  
**LUSAKA**  
Tel:+260-211-238127/238128
- 22. India High Commission**  
Plot No. 1, Pandit Nehru Road  
P.O Box 32111  
**LUSAKA**  
Tel:+ 260-211-253159/60
- 23. Libyan Embassy**  
Plot No. 4900, Los Angeles  
Boulevard  
P.O Box 35319, Longacres  
**LUSAKA.**  
Tel:+260-211-253055/255388
- 24. Malawi High Commission**  
Plot No. 32 Bishops Road,  
Kabulonga  
P.O Box 50425,  
**LUSAKA.**  
Tel:+260-211-265768
- 25. Mozambique High Commission**  
Plot No. 9592, Tacho Road, Northmead,  
P.O Box 34877  
**LUSAKA**  
Tel:+260-211-220339/220333
- 26. Namibia High Commission**  
Plot No. 30B, Mutende Road,  
Woodlands  
P.O Box 30577  
**LUSAKA**  
Tel: +260-211-260407/8
- 27. Nigerian High Commission**  
Plot No. 5203 Haile Selassie Avenue,  
P.O Box 32598, Long acres,  
**LUSAKA.**  
Tel:+260-211-253177
- 28. Royal Netherlands Embassy**  
Plot No. 5208, UN Avenue,  
P.O Box 31905,  
**LUSAKA.**  
Tel:+260-211-253819/253994
- 29. Royal Norwegian Embassy**  
Plot No. 245/61,  
Corner of Birdcage walk, Haile Selassie  
Avenue,  
P.O Box 34570,  
**LUSAKA.**  
Tel:+260-211-252188/252625
- 30. Swedish Embassy**  
Haile Selassie Avenue  
P.O. Box 50264,  
**LUSAKA.**  
Tel:+260-211-251249
- 31. Sudan Embassy**  
Plot No. 31, Longacres,  
Corner of Speakers lane and Ngumbo  
Road, off Nyerere Road,  
P/B 179x, Ridgeway,  
**LUSAKA.** Tel:+260-211-252116
- 32. South African High Commission**  
Plot No. 26D Chika Road, Kabulonga,  
P/B W369,  
**LUSAKA.**  
Tel:+260-211-260999

### 33. South Korean Consulate

4<sup>th</sup> Floor, Mukuba Pension House,  
Dedan Kimathi, Opposite Intercity Bus Terminus  
P.O Box 31334,  
**LUSAKA**, Tel:+260-211-236520

### 34. Tanzanian High Commission

Plot No. 5200, UN Avenue  
P.O Box 31219  
**LUSAKA**.  
Tel:+260-211-253323

### 35. Vatican Embassy

Plot No. 283, Los Angeles Boulevard,  
P.O Box 31445,  
**LUSAKA**.  
Tel:+260-1-250786

### 36. United States Embassy

Independence Avenue (corner of UN Ave)  
P.O Box 31617  
**LUSAKA**  
Tel:+260-211-250955

### 37. Zimbabwean Embassy

Plot No. 11058, Longacres  
Haile Selassie Avenue  
P.O Box 33491  
**LUSAKA**  
Tel:+260-211-254018

## **APPENDIX 4 – KEY GOVERNMENT AGENCIES AND BUSINESS ASSOCIATIONS**

### **Government Agencies**

- 1. Bank of Zambia**  
P.O. Box 30008, Lusaka  
Phone: +260 211 228888/228903-20  
Fax No: +260-211-221767  
Email: pr@boz.zm
- 2. Zambia Environmental Management Agency (Zema)**  
P.O. Box 35131, Lusaka  
Tel: +260 211 254023/59  
Fax: +260-211-254164  
Email: info@zema.org.zm  
Website: zema.org.zm
- 3. Department of Immigration**  
P.O. Box 50300, Lusaka  
Tel : +260-211-252831/252622  
Fax : +260-211-252008/254393  
Website: www.zambiaimigration.gov.zm
- 4. Lusaka Stock Exchange**  
P.O. Box 34523, Lusaka  
Tel: +260 211 228537/ 228391  
Fax: +260 211-225969  
E-mail: luse@zamnet.zm
- 5. Ministry of Commerce, Trade and Industry**  
P.O. Box 31968, Lusaka  
Phone: +260 211 228301-9  
Fax: +260 211 226984  
Email: mcti@gov.co.zm  
Website: www.mcti.gov.co.zm
- 6. Patents and Companies Registration Agency**  
P.O. Box 32020, Lusaka  
Tel: +260 211255127/255127  
Fax: +260 211 255426  
Email: pacra@zamnet.zm  
Website: www.pacra.org.zm
- 7. Zambia Development Agency**  
P O Box 30819, Lusaka  
Tel: +260 211220177/223859  
Fax: +260 211 225270  
E-mail: info@zda.org.zm  
Website: www.zda.org.zm



### 8. Zambia Tourism Board

P.O. Box 30017, Lusaka  
 Tel: +260 211 229087/90  
 Fax: +260 211 225174  
 E-mail: [ztb@zambiatourism.org.zm](mailto:ztb@zambiatourism.org.zm)  
 Website: [www.zambiatourism.com](http://www.zambiatourism.com)

### 9. Zambia Revenue Authority

P.O. Box 35710, Lusaka  
 Tel: +260 211 223754/ 229214-8  
 Email: [advice@zra.org.zm](mailto:advice@zra.org.zm)  
 Website: [www.zra.org.zm](http://www.zra.org.zm)

## Business associations

### 1. Zambia Association of Chambers of Commerce & Industry

P.O. Box 30844, Lusaka  
 Tel: +260 211 252369  
 Fax: +260 211 252483  
 E-mail: [zacci@zamnet.zm](mailto:zacci@zamnet.zm)

### 2. Zambia Association of Manufacturers

P.O. Box 31992, Lusaka  
 Tel: +260 211 253696  
 Fax: +260 211 253696  
 E-mail: [info@zam.co.zm](mailto:info@zam.co.zm)  
 Website: [www.zam.co.zm](http://www.zam.co.zm)

### 3. Zambia Business Forum

Plot 4 United Nations Ave. Long Acres  
 P.O. Box 37202, Lusaka  
 Fax: +260-211-257167  
 Website: [www.zbf.org.zm](http://www.zbf.org.zm)

### 4. Zambia Export Growers Association

P.O. Box 31705, Lusaka  
 Tel: +260 211 221895  
 Fax: +260 211 221895  
 E-mail: [zega@zamnet.zm](mailto:zega@zamnet.zm)

### 5. Zambia Federation of Employers

P.O. Box 31941, Lusaka  
 Phone: +260 211 295541/82  
 Fax: +260 211 295582  
 Email: [zfe@zamnet.zm](mailto:zfe@zamnet.zm)

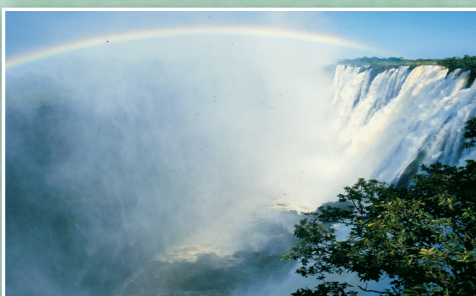
### 6. Zambia National Farmers Union

P.O. Box 30395, Lusaka  
 Tel: +260 211 223222  
 Fax: +260 211 222736  
 E-mail: [znfu@zamnet.zm](mailto:znfu@zamnet.zm)









Zambia Development Agency



Japan International Cooperation Agency