

# Zambia's Investment Opportunities

**Presented by:**



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# About Zambia



Located in the Southern African Sub-region, The Republic of Zambia is land linked, and is separated from [Zimbabwe](#) by the Zambezi River. Zambia is also bordered by [Angola](#), [Botswana](#), the [Democratic Republic of the Congo](#), [Malawi](#), [Mozambique](#), [Namibia](#), and [Tanzania](#).

Zambia has a [population](#) of 15.9 million people. The annual population growth rate is 2.8%, with a population density of 17.3 persons per square kilometer. Capital and largest city is [Lusaka](#). Spoken [languages](#) are English and several Bantu languages, major dialects are Bemba (ChiBemba) 33%, Nyanja (Cinyanja) 15%, Tonga (Chitonga) 11% and Lozi 5.5%



# Economy

The country's economy has historically been based on the Copper Mining Industry. However, the Zambian Government is undertaking economic diversification to reduce the country's reliance on the Copper Industry and exploit other components of Zambia's rich resource base by promoting Agriculture, Tourism, Gemstone Mining and Hydro Power generation.

In 2017, Zambia's economic growth recovered to an estimated 3.9% on the back of a bumper crop harvest and better electricity supply.



# Economy

Growth is projected to strengthen to above 4% in 2018 and over the medium-term. High international copper prices and improved domestic production from newer and recently refurbished mines is expected to support exports. High copper prices have eased external pressures, leading to a stable kwacha.

Zambia shares several of its key geographical and economic features with neighboring Zimbabwe—the Victoria Falls, Lake Kariba (and its hydroelectric capacity), and a stretch of the Zambezi River. It also borders the southern tip of Lake Tanganyika and Tanzania, as well as the Democratic Republic of the Congo, Angola, Botswana, Mozambique, and Malawi.



# The Vision 2030

Zambians aspire and envision a prosperous Middle Income Nation by 2030. It is in this regard that the Zambian Government came up with a national long term plan known as the Vision 2030 which long term development policy scenarios at different points for the next 20 years.

The socio-economic development objectives enshrined in the Vision 2030 are to: attain and sustain annual real growth of 6% (2006-2010); 8% (2011-2015); 9% (2016-2020); and 10% between 2021 and 2030. Other objectives include; Attaining and maintaining a moderate inflation rate of 5 percent, reducing national poverty head count to less than 20 percent of the population, reducing income inequalities measured Gini-coefficient of less than 40 percent, providing secure access to safe water and improved sanitation facilities of 100 percent of the population across the country, attaining education for all and providing equitable access to quality health care to all by 2030



# **The Seventh National Development plan (7NDP)**

**The government has launched its 7th National Development Plan, 2017–2021, calling for a fundamental shift in the way resources are allocated. It's five pillars are;**

- Economic diversification and job creation**
- Poverty and Vulnerability**
- Reduced Developmental Inequalities**
- Enhancing Human Development**
- Conducive Governance Environment for Economic Diversification**



# **The Seventh National Development plan (7NDP)**

**Following the expiry of the R-SNDP in 2016, the Government spearheaded the formulation of the Seventh National Development Plan which will cover the period from 2017 to 2021. The Plan departs from sectoral-based planning to an integrated (multi-sectoral) approach under the theme “Accelerating development efforts towards Vision 2030 without leaving anyone behind”. The formulation of the Plan was guided by the National Planning and Budgeting Policy of 2014, while the Decentralization Policy of 2014 provided the principles of implementation.**





# Why Invest in Zambia?

## **Market Access**

**Being a member of a number of regional and international groupings, make Zambia strategic both in its location and abundance in natural resources. These include the Common Market for Eastern and Southern Africa (COMESA), which is currently a customs union, and the Southern Africa Development Community (SADC) Free Trade Areas (FTA).**

**Zambia is also in the forefront in pushing for the establishment of the Tripartite Free Trade Area composed of COMESA, SADC and the East Africa Community.**



# Why Invest in Zambia?

The Government has signed and is currently implementing a number of bilateral trade agreements with China, Canada and Japan. Zambia is a member of the World Trade Organization (WTO) and currently chairing the LDC group at WTO. It is part of the Cotonou agreement and has benefited from duty-free, quota-free market access for the European market under the Generalized System of Preference (GSP) and the Everything But Arms (EBA) arrangement - and for the US market under the African Growth and Opportunities Act (AGOA). Zambia has also been negotiating for further market access through the economic partnership agreements (EPAs) under the eastern southern Africa (ESA) group with the European Union.



# Why Invest in Zambia?

## Natural Resources

Zambia has vast resource endowment in terms of land, labour and water, indicating the high potential to expand and/or excel development. Zambia has a total land area of 75 million hectares (752,000 square km), out of which 58% (42 million hectares) is classified as medium to high potential for agricultural production. Zambia stands out as one of the prime tourism destinations in Africa offering a wealth of natural tourism assets – waterfalls, lakes and rivers holding about 35% of Southern Africa's water, 'wildlife protected areas' occupying about 10% of the country's total land area, and a tropical climate. It is also the home of the Victoria Falls, one of the Seven Natural Wonders of the World. In addition, Zambia is endowed with a rich and diverse culture resulting in the occurrence of more than 30 colorful traditional ceremonies annually.



# Why Invest in Zambia?

## Stable Governance

1. Political stability since attaining independence in 1964
2. The country is one of Africa's most peaceful, tolerant and democratic states with extremely low levels of crime.
3. Westminster-style government and sound governance structures based on the rule of law and respect for private property. Elected government officials, parliamentary system.
4. Independent judiciary with established court systems with separate commercial courts
5. Strong anti-corruption measures have been instituted



# Why Invest in Zambia?

## Investment Guarantees

- I. Investment guarantees and protection against state nationalization through the Certificate of Registration for your investment under the ZDA Act 2006;**
- II. Guarantees through Zambia's participation in the World Bank Group's Multilateral Investment Guarantee Agency;**
- III. Member of the International Convention on the Settlement of Investment Disputes.**

## **Investor Friendly**

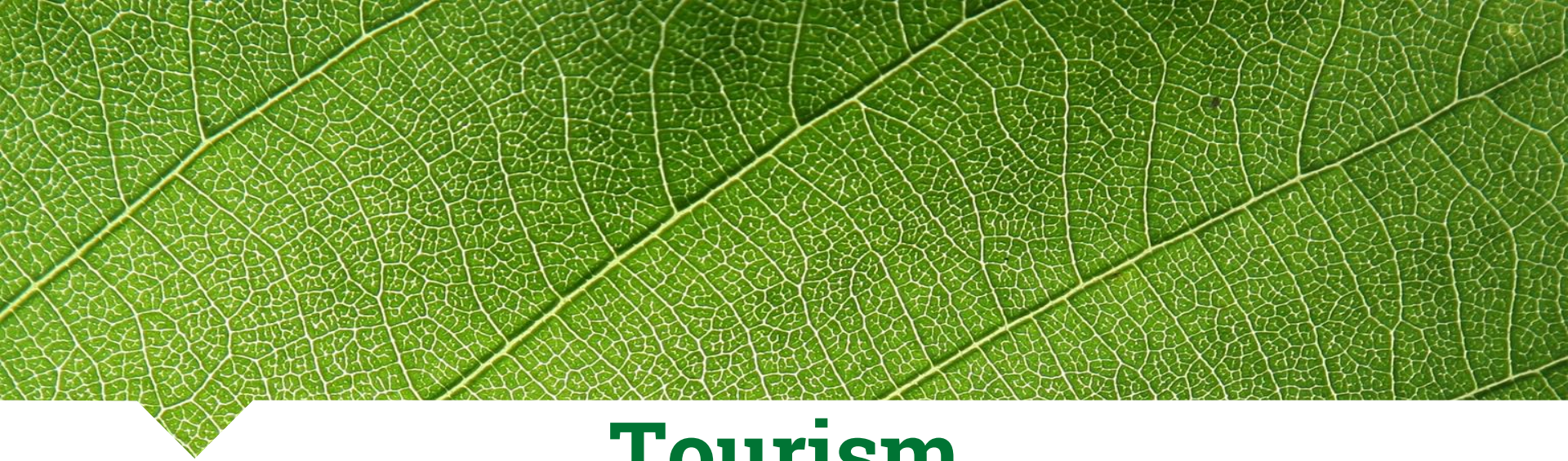
- 1. Over 10 years of steady GDP growth**
- 2. Investors freely invest in any sector of the economy and are entitled to various incentives**
- 3. Direct support by an Investment Promotion Officer (IPO) for your investment registration process and assistance with processes for all other licenses and permits for your business**
- 4. A Private Sector Development and Reform Program (PSDRP) continually streamlining licensing and administrative processes for the private sector**
- 5. Starting and registering a business can be done in one day**
- 6. Private Investment is a top priority by the Government**
- 7. No sectors are barred to foreign investors and no restrictions on the percentage of equity they might hold**
- 8. Creation of world-class infrastructure in designated areas known as Multi Facility Economic Zones (MFEZ) to facilitate entry of businesses**
- 9. Development of capital markets beginning with Lusaka Stock Exchange (LuSE)**



# Priority sectors for Investment and growth

## Agriculture Sector

Zambia is endowed with a large land resource base of 42 million hectares of which only 1.5 million hectares is cultivated every year. There are abundant water resources for irrigation and the country has 40 percent of the water in Central and Southern Africa. Primary agriculture contributes about 35 percent to the country's total non traditional exports (all the country's exports other than copper and cobalt) and about 10 percent of the total export earnings for the country.



# Tourism

Zambia's tourism sector is currently one of the country's growth potential areas. It has been given the non-traditional export status and is receiving a lot of support from the Government by way of infrastructure development, promotion of increased private sector participation, as well as attractive tax incentives for all investments in the sector. Zambia's tourism potential draws from its natural environment, from which abound a variety of tourism attractions. The main attractions in the country include; the Victoria Falls and the wealth of wildlife spread out in the country's 19 national parks and 34 game management areas with a total area of 65,000 km<sup>2</sup>. Zambia boasts of vast waterfalls, lakes and rivers, one of the largest concentrations of bird species in the world, a rich cultural heritage and several monuments spread across the country.





# Energy

Zambia's energy sources include; electricity, petroleum, coal, biomass, and renewable energy. It is only petroleum which is wholly imported in the country, while the country is basically self-sufficient in all the other energy resources, as it has substantial unexploited reserves of these forms of energy. The country's economy has been growing at an average of 5 percent per annum over the past 10 years and demand for energy has also been rising.

The demand for the most important energy source in the country - electricity has been growing at an average of about 3 percent per annum mainly due to the increased economic activity in the country especially in the agriculture, manufacturing and mining sectors, as well as increased activity in the region.



# **The Seventh National Development plan (7NDP)**

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- Economic diversification and job creation;**
- Poverty and Vulnerability;**
- Reduced Developmental Inequalities;**
- Enhancing Human Development; and**
- Conducive Governance Environment for Economic Diversification**



# The Mining Sector

Zambia is Africa's largest producer of Copper and Cobalt. Although copper production was affected by low copper prices in the late 1990s, Copper production has been increased since 2000. It increased to 572,793 tones in 2007 from a low of 256,884 tones in 2000, representing an increase of over 100%. The rise in copper production over the years is attributed to investment in rehabilitation of infrastructure and technological innovations in existing mines, the coming on board of new mines, the increase in existing mines and increase in small-scale copper mining activities. The Zambia Development Agency Act provides incentives for companies investing substantial amounts in the mining sector in the country.



# Infrastructure

Infrastructure development, is one of the Government of Zambia's priority areas, and is upheld in 7NDP, as well as in the National Vision 2030. Infrastructure is an essential driver of competitiveness which is critical for ensuring the effective functioning of any economy and the country has basic reliable infrastructure in terms of;

- Airports
- Road networks
- Railway lines energy generation
- Transmission installations
- Telecommunication infrastructure.



# Manufacturing Sector

The manufacturing sector in Zambia accounts for about 11 percent of the country's Gross Domestic Product (GDP) and has been growing at an average annual growth rate of three (3) percent in the last five years. Growth in the sector is largely driven by the agro processing (food and beverages), textiles and leather subsectors. Secondary processing of metals is another main activity in the sector, including the smelting and refining of copper, and this has led to the manufacturing of metal products. Fertilizers, chemicals, explosives and construction materials such as cement are also produced in the sector. Other activities include wood products and paper products.

The manufacturing activities in the country are undertaken by the private sector with government playing a proactive role.



# Manufacturing Sector

The Government has put in place measures to support manufacturing activities, such as the establishment of Multi-Facility Economic Zones (MFEZs) and Industrial Parks (these are industrial areas for both export orientated and domestic orientated industries, with the necessary support infrastructure installed), and provision of sector-specific investment incentives. Government also promotes small and medium enterprises in rural and urban areas so as to enhance labour intensive light manufacturing activities in these areas.

The sector has attracted significant investment in recent years and other than producing many different products, manufacturing also absorbs much of the output from other sectors such as agriculture, and also supplies inputs into the other sectors such as mining and construction.



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