



FOOD PROCESSING SECTOR INVESTMENT PROFILE

ZAMBIA



**FOOD PROCESSING SECTOR
INVESTMENT PROFILE**

ZAMBIA

2020

ABOUT THE PROJECT

This guide has been produced under the framework of the Partnership for Investment and Growth in Africa (PIGA) project with the purpose of facilitating foreign investors on complying with taxes in Zambia.

PIGA is part of Manufacturing Africa, a flagship programme of the United Kingdom of Great Britain and Northern Ireland's Foreign, Commonwealth and Development Office (FCDO) facilitating foreign direct investment with high development impact into selected African countries.

Under Manufacturing Africa, PIGA aims to contribute to job creation and sustainable growth in Ethiopia, Kenya, Mozambique and Zambia by supporting these countries to attract foreign direct investment, specifically Chinese investment, in the agro-processing and light manufacturing sectors. PIGA is also designed to enhance the capacity of these countries for effective investment promotion.

PIGA is implemented by the International Trade Centre (ITC) in cooperation with the China Council for the Promotion of International Trade (CCPIT) and the China–Africa Development Fund (CADFund).

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Kudu Consulting

Quality Assurance:

International Trade Centre (ITC), Trade Facilitation and Policy for Business Section (TFPB), TCA Ranganathan, External consultant, Shupi Mweene, National Coordinator (PIGA), Ingrid Colonna, Project Adviser (PIGA)

Author: Mr. Paul Muwowo and Mr. Coillard Hamusimbi, Kudu Consulting

Design: Iva Stastny Brosig, Design plus d.o.o.

Editor: Vanessa Finaughty

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Acronyms and abbreviations

Unless otherwise specified, all references to dollars (\$) are to United States dollars, and all references to tons are to metric tons. The term 'billion' denotes 1 thousand million.

CMFEZ	Chambishi Multi-Facility Economic Zone
COMESA	Common Market for Eastern and Southern Africa
FDI	Foreign direct investment
GDP	Gross domestic product
LuSE	Lusaka Stock Exchange
MFEZ	Multi-facility economic zone
PACRA	Patents and Companies Registration Agency
SADC	Southern African Development Community
SMEs	Small and medium-sized enterprises
TPIN	Taxpayer personal identification number
VAT	Value-added tax
ZCCZ	Zambia–China Economic and Trade Cooperation Zone
ZDA	Zambia Development Agency
ZEMA	Zambia Environmental Management Agency
ZRA	Zambia Revenue Authority

FOREWORD

In the recent past, Zambia has made significant strides in achieving self-sufficiency in food production. Despite having made progress, a huge production–consumption gap remains. This has led to Zambia importing substantial amounts of food and processed foods. Zambia’s population has grown from 13.7 million in 2011 to approximately 17.9 million in 2020 and is expected to reach about 26.9 million by 2035. With the growth in population, demand for food in Zambia is expected to grow. The World Bank projects that, by 2030, food demand in Zambia will triple to \$25 billion. In addition, there has been an increase in demand for food imports from Zambia by neighbouring countries and the COMESA and SADC regions. This presents a huge investment opportunity in the country’s food and processed foods industry.

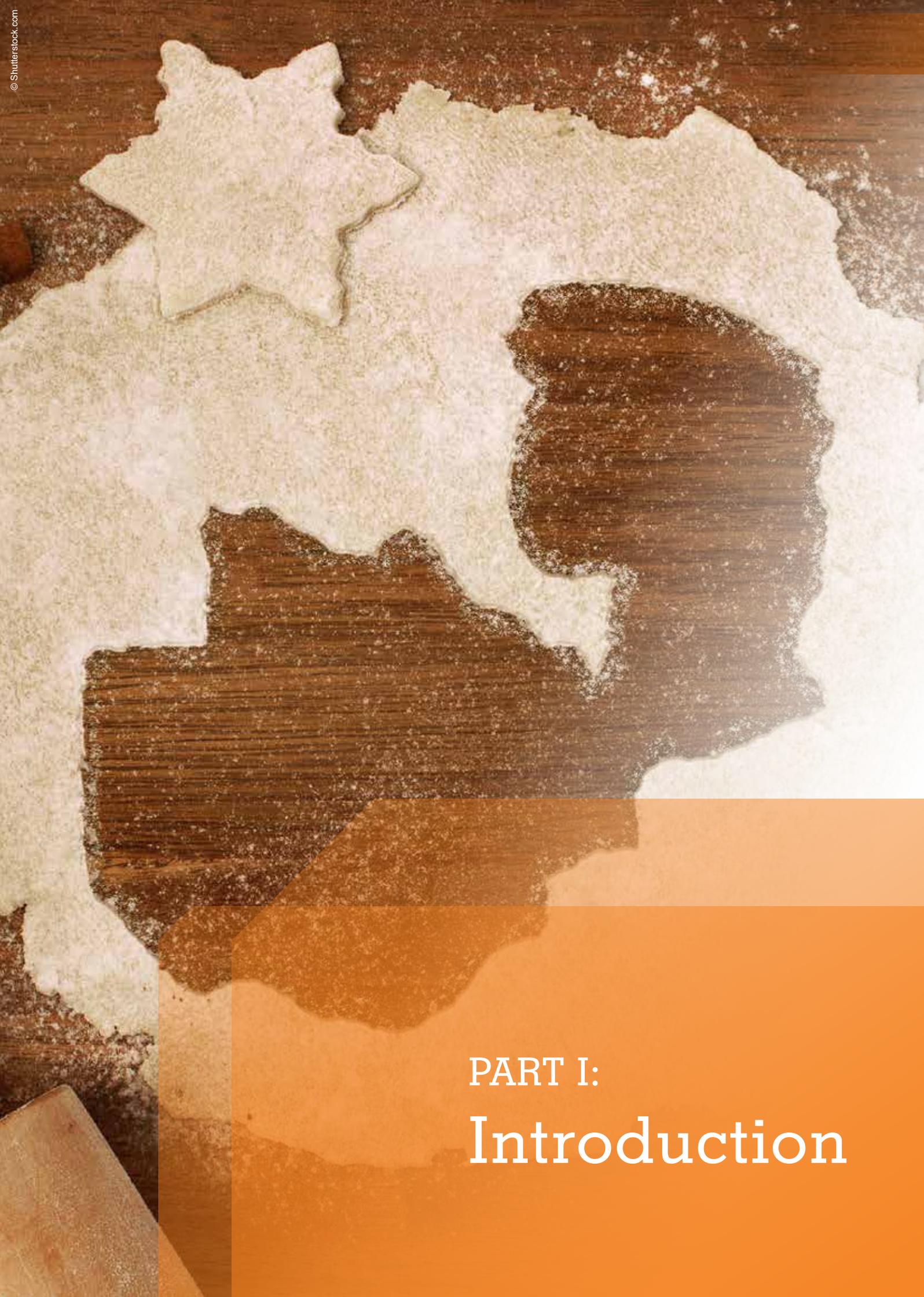
Zambia offers a wide range of investment opportunities in its food processing sector. In the agriculture sector, investment opportunities exist in aquaculture, baby and high-nutrition foods, dairy, edible oils, horticulture and poultry. The high levels of stunted growth and underweight among children younger than five years of age presents investment opportunities for processed health foods. Despite Zambia’s per capita milk consumption remaining below the recommended levels, there is limited value addition and processing of smallholder milk. This has not only led to high processed milk imports, but also presents an investment opportunity. Zambia has an increasing deficit in edible oils, which is serviced by imports. There is need for investments in this sector to narrow the deficit. Furthermore, Zambia imports huge volumes of potatoes and onions. The pattern is nearly the same in the poultry industry, where a huge investment potential exists.

To capture the huge export market as well as increase manufacturing sector growth and contribution to GDP, Zambia has prioritized the food processing sector. The Zambia Development Agency, in conjunction with the Partnership for Investment and Growth in Africa (PIGA) project, is thus promoting investments into Zambia’s food processing sector. Therefore, the PIGA project, funded by the UKAID and implemented by the International Trade Centre (ITC), has profiled the food processing sector. The profile is expected to aid potential investors in getting an in-depth appreciation of the challenges and investment opportunities that exist in Zambia’s food processing sector.

Investments in the food processing sector will contribute to Zambia’s transformation from a producer and exporter of primary products into a net exporter of value-added goods and products using local primary resources. Furthermore, investments in food processing are expected to increase national food and nutrition security, improve export earnings, create employment, and ultimately help diversify and industrialize the Zambian economy.

Mr. Mukula Makasa

Acting Director General,
ZAMBIA DEVELOPMENT AGENCY (ZDA)



PART I:
Introduction



PART I

FOOD PROCESSING OPPORTUNITIES HIGHLIGHTS

Zambia offers a range of investment opportunities in its food processing sector. Most promising and investible opportunities in the Zambian food industry are in aquaculture, baby and high-nutrition foods, dairy, edible oils, horticulture and poultry. These value chains offer viable business opportunities, especially in integrated food production, processing and marketing businesses targeting local, regional and continental markets.

Aquaculture: Increasing fish imports together with Zambia's vast freshwater bodies and wetlands and plains present great investment opportunities in aquafeeds, fish farming (both cage and pond culture) and fish processing. Zambians are avid fish consumers; hence, the increasing local fish supply gap of up to 127,000 tons p.a. With stagnated capture fisheries output (80,000 tons p.a.) and a current aquaculture growth rate of 6%–7% p.a., imports have become Zambia's main source of fish. Imports are expected to increase further to 173,000 tons p.a. by 2030. At that point, fish imports will account for close to 60% of Zambia's total fish consumption. Zambia needs to more than double its aquaculture growth rate and output if it is to avoid imports increasing to 173,000 tons p.a.

Processed health foods: High levels of stunting (40%) and underweight (15%) among children younger than five years of age have created investment opportunities in processed health foods. Commercialization of processed health food products is another promising business opportunity brought about by the current nutritional challenges affecting Zambia. Surplus maize, cassava, beans, soybeans, groundnuts, traditional vegetables, wheat and sugar also provide ample raw materials for value-added processed health foods. A huge import substitution opportunity also exists in corn and wheat breakfast cereals, potato chips and a range of infant foods.

Dairy processing: Investments into improved smallholder milk production, processing, chilling/cold chain and offtake market in high cattle-rearing areas are currently not covered by the existing dairy processors. This thus offers feasible business opportunities to improve Zambia's per capita milk consumption, which has remained low at 16.5–19.4 litres against the recommended 200 litres. This will reduce dairy imports into Zambia. Limited value addition and processing of smallholder milk is causing high losses and low milk consumption. Only 75.9 million litres (30%) of the 253 million litres of annual raw smallholder milk is processed and marketed via a formal market channel. This leads to high smallholder milk losses due to lack of cold chain facilities. High smallholder milk losses have also led to increased powdered milk imports estimated at more than 5,000 tons worth (more than \$20 million p.a.). Zambia also imports a number of other processed dairy products that could be substituted with locally produced products.





Edible oils: Zambia is faced with an increasing edible oils deficit, which is serviced by imports worth more than \$200 million p.a. This market situation presents investment opportunities in alternative oilseeds (e.g. high oleic oil sunflower) production and processing. This situation also supports investment opportunities in on-farm stock feeds manufacturing. Currently, Zambia imports approximately 104,436 tons p.a., part of which must be substituted with locally produced oil. Palm oil accounts for >62%, while soy oil accounts for 17% of total imports. Edible oils import sources include the SADC (54%), Asia (27%) and COMESA (19%).

Horticulture: Potato and onion value addition and processing are some of the key and promising investment opportunities in Zambian horticulture. Absence of onion-curing facilities for most smallholder-grown onions makes locally produced onions have a very poor shelf life. Limited potato processing and cold chain facilities has also led to seasonal potato deficits, especially during the rainy season when local production is lowest. This market situation has led to Zambia importing huge volumes of cured onions, and frozen and chipped potatoes, which can be substituted with locally produced, processed and preserved products if investors

seize the current onion curing, potato processing and cold chain infrastructure and supply management investment opportunities.

Poultry: Processing remains concentrated on large-scale outgrower poultry producers, leaving out small-scale producers who account for 65% of total annual broiler output. Limited poultry processing of small-scale grown broilers is the main reason why most of these birds are sold through the live bird market channel, renowned for its informalities, supply inconsistencies and price volatilities. This situation has opened up investment opportunities for increased poultry processing targeting small- and medium-scale broiler producers currently excluded by existing main outgrower schemes. Investments in poultry processing capacity of approximately 50,000 tons p.a. is required if Zambia is to increase its processed poultry meat market share from the current 35% to more than 65%. Increasing chicken pieces demand among low- and medium-income households has also created business opportunities in poultry cold chain and distribution businesses.



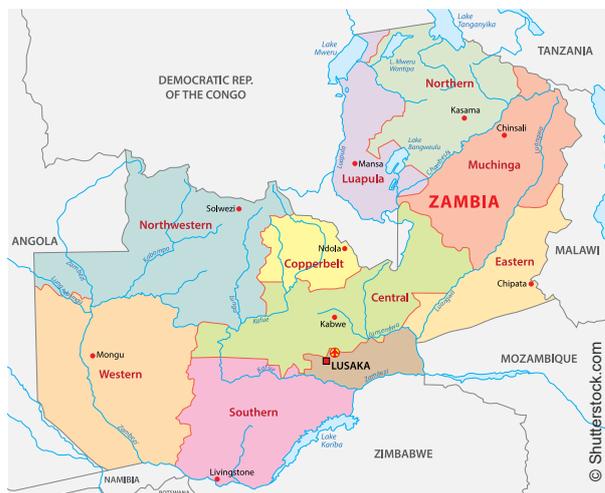
1. INTRODUCTION

Food processing is one of the Republic of Zambia's fastest-growing manufacturing subsectors offering great investment opportunities. According to the World Bank, food demand in Zambia is projected to triple to \$25 billion by 2030 and increased food processing is needed to help meet the projected demand. A growing population (3% p.a.), rapid urbanization (4% p.a.), economic growth and expanding incomes, and changing diets are fuelling local food demand and increasing expenditure on food. Demand for food imports from Zambia by neighbouring countries (in the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC)) is also increasing – a development that will require Zambia to produce and process more food to meet this additional demand. Continental food imports are also on the rise, with the World Bank projecting a fourfold increase to \$400 billion of urban food market value in Africa by 2030.

1.1. Food processing ecosystem

Zambia has prioritized food processing as one of the promising subsectors to improve its manufacturing sector growth from 5% to 20% on average p.a. and to improve its manufacturing sector contribution to gross domestic product (GDP) from 8% to 15% by 2027. Food processing is thus being promoted to transform Zambia from a producer and exporter of primary products into a net exporter of value-added goods and products utilizing local primary resources. Investments in food processing are also expected to increase national food and nutrition security, improve export earnings, create employment and ultimately help diversify and industrialize the Zambian economy.

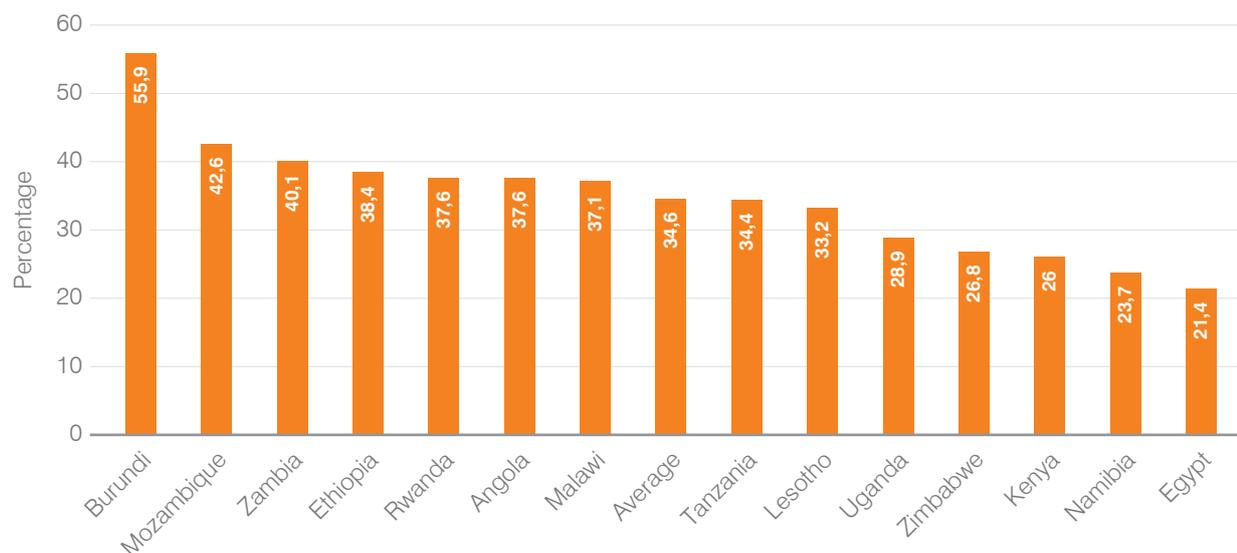
Persistent nutrition challenges, growing population and rapid urbanization, widening income inequalities, changing food expenditure and consumption patterns (nutrition transition), growing regional food demand and increasing intra-continental trade are further fuelling the need for improved food production, processing and commercialization of nutrition-enhancing products.



1.2. Nutrition challenges

Despite surplus production of major food and grain commodities, Zambia is faced with challenges of malnutrition among children. According to the Central Statistical Office (CSO), approximately 40% of Zambian children younger than five years of age were stunted, 6% were malnourished and 15% were underweight (CSO, 2014). High levels of stunting and wasting among Zambian children need reversing. To do that, Zambia is promoting investments in food processing and commercialization of processed health food products. This development has created investment opportunities in integrated high-nutrition food production, processing, distribution networks and marketing.

FIGURE 1 Percentage of stunted children by country



Source: Zambia Demographic and Health Survey, 2014.

1.3. Population and urbanization

Increasing population and urbanization will continue fuelling food demand and investment opportunities in integrated food production, processing and marketing. The Zambian population has grown swiftly and is expected to continue growing at 3% p.a. (CSO, 2018). As a result, the Zambian population will almost double by 2035, from 13.7 million in 2011 to approximately 17.9 million in 2020 and to 26.9 million by 2035. The majority of the Zambian population is also very young, with its people younger than 25 years accounting for 66% and the working age (15–54 years) accounting for 49% of the population.

TABLE 1 Population and age categorization

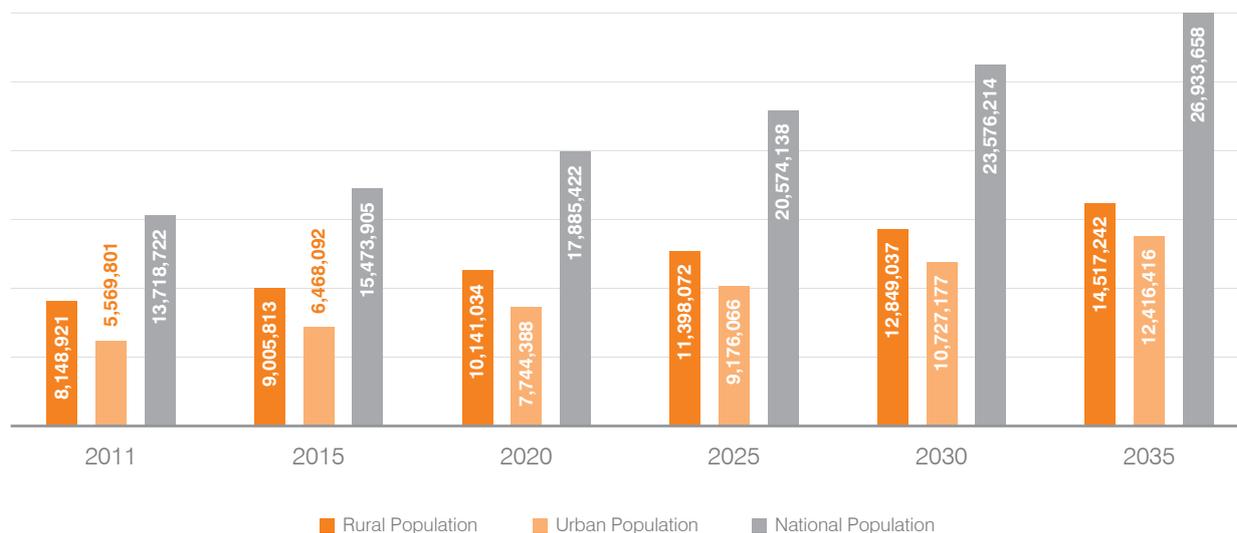
TOTAL POPULATION 16 445 079 (JULY 2018 EST.)				
Age group	% of total	Males (#)	Females (#)	Total
0–14 years	45.95%	3 796 548	3 759 624	7 556 172
15–24 years	20%	1 643 364	1 645 713	3 289 077
25–54 years	28.79%	2 384 765	2 349 877	4 734 642
55–64 years	2.95%	225 586	260 252	485 838
65 years and older	2.31%	166 224	213 126	379 350
Total	100%	8 216 487	8 228 592	16 445 079



Zambia's growing population is also fuelling rapid urbanization, which is currently estimated at 4% annually (CSO, 2018). As a result, Zambia's urban population is expected to grow from 5.6 million in 2011 to 7.8 million in 2020 and 12.4 million by 2035. Though at a relatively stable average growth rate of 2.4% per annum, rural population growth is also expected to push up food demand and availability of labour in most rural areas of Zambia. The rural population

is expected to grow from 8.2 million in 2011 to 10.1 in 2020 and 14.5 million by 2035. Population growth and rapid urbanization is expected to fuel Zambia's domestic demand for food and other agricultural commodities in both rural and urban areas. This development will, in turn, create investment opportunities in increased food production and processing to meet the increasing and unmet food demand.

FIGURE 2 Zambian population projections



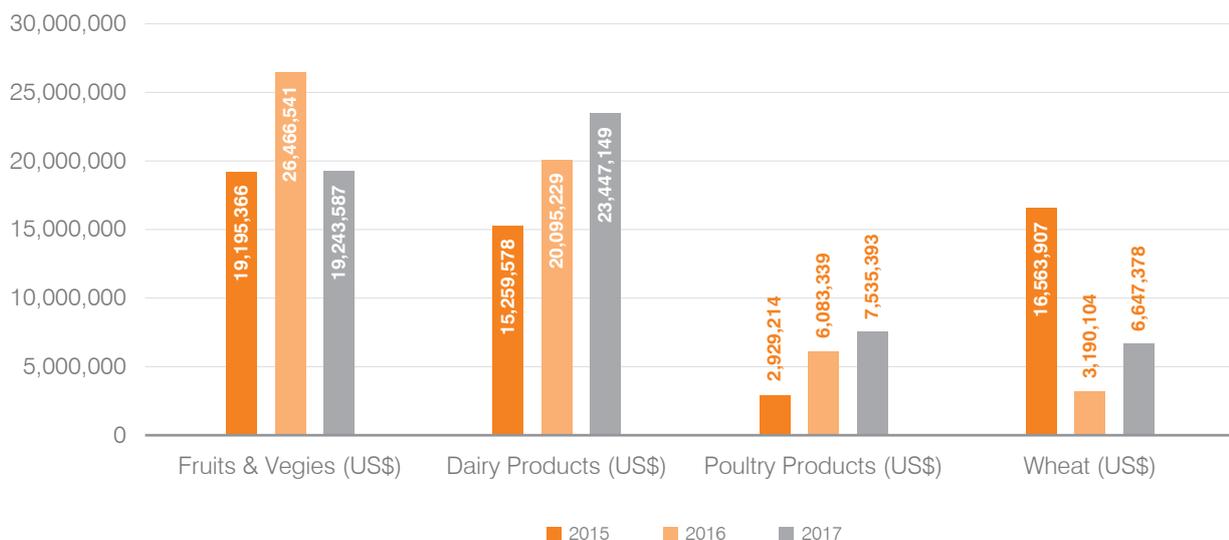
Source: CSO, 2018.

1.4. Changing diets and expenditure patterns

Changing dietary patterns (nutrition transition) is another factor driving the increases in food demand locally and on regional markets. Changing diets and economic situations have also led to changes in Zambia's food expenditure patterns among income groups and between rural and urban areas (Chisanga & Zulu, 2017). Already, changing diets and expenditure patterns among Zambian households has led to sharp-rising increases in demand for perishable (fresh produce) and processed foods, poultry products, and wheat, rice and potatoes.

The past 20 years have seen significant reduction in expenditure on maize, with wealthier households fast replacing maize with wheat, rice and potatoes, and increasing their expenditure on meat, while poor and low-income households have doubled their food expenditure on perishable (mainly vegetables) and prefer more affordable meat products like eggs, poultry meat, fish and dairy products. Increasingly changing diets has also led to Zambia becoming a net importer of a number of food commodities. Currently, Zambia imports huge volumes of edible oils (up to 80,000 tons p.a.) and fish (127,000 tons p.a.), leading to imports becoming the main sources. Zambia also imports a range of fruits and vegetables, edible oils and dairy products as shown in Figure 3.

FIGURE 3 Zambia's food imports values (USD) (2015–17)



Source: Central Statistical Office, 2018, CSO Trade Data.

1.5. Raw materials availability

Zambia is self-sufficient in maize, wheat, soybean, poultry, and sugar and sugar confectionery products. On average, Zambia produces 2,896,033 tons of maize against the 2,000,000 ton annual consumption (1,316,640 tons human consumption, 300,000 tons for stock feeds, 130,000 tons for breweries and up to 300,000 tons for strategic reserves). This leaves approximately 800,000 tons of maize for export or processing into other products. Zambia also produces an average of 311,000 tons p.a. of soybeans against 211,250 tons crushed into 169,000 tons of soya cake and 24,000 tons to 31,600 tons of edible oil. Approximately 436,000 tons of sugar is produced annually, with domestic consumption accounting for 252,880 tons, with 192,1889 tons (76%) sold for direct household consumption and 60,691 tons (24%) sold for industrial use. Approximately 182,120 tons (42%) of the remainder is exported mostly to the Democratic Republic of the Congo, the Great Lakes of North America and the United Republic of Tanzania. Other key raw materials produced in significant volumes include wheat, rice, groundnuts, milk and broiler chickens. Surplus production of these major food commodities provides ample raw materials for food processing.

1.6. Increasing regional demand

Demand for maize, soybeans, wheat, food legumes and other processed food products from Zambia by neighbouring countries and the rest of the COMESA and SADC regions has also continued increasing and remains unmet. Current estimates show that COMESA imports food worth more than \$30 billion annually. The Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia, the Republic of Kenya and the Republic of Uganda are its top four food importing member states by value. Food imports are also increasing in SADC. The Republic of South Africa imports approximately \$80.2 billion worth of food annually. Other bigger food-importing SADC countries include the Republic of Angola (\$49 billion), the Democratic Republic of the Congo (>\$10 billion), the Republic of Namibia (\$6.8 billion) and the Republic of Zimbabwe (\$5.7 billion). Continental food imports are also set to increase. The World Bank projects a fourfold increase to \$400 billion of urban food market value in Africa by 2030. With its vast undeveloped agricultural lands and abundant unexploited water resources, Zambia is well positioned to increase its food production and value addition and can easily export its surplus to the Democratic Republic of the Congo, Angola, Kenya, Uganda, Tanzania, Ethiopia, Zimbabwe, the Republic of Mozambique, the Great Lakes and other COMESA and SADC countries.



PART II:

Food processing investment opportunities



2. FOOD PROCESSING INVESTMENT OPPORTUNITIES

Aquaculture, poultry, horticulture, high-nutrition foods, dairy and edible oils offer the most promising and investible opportunities in the Zambian food industry. These value chains offer viable business opportunities, especially in integrated food production, processing and marketing businesses targeting local, regional and continental markets.

2.1. Aquaculture opportunities

Aquaculture is Zambia's sunrise food subsector offering investible opportunities in aquafeeds production, fish farming, fish processing, and frozen fish products distribution and marketing. Zambians are avid fish consumers; hence, the fast-increasing demand that has since outstripped local supply. By the end of 2016, local fish supply deficit reached 127,000 tons and this supply gap is projected to reach 173,000 tons p.a. by 2030. With stagnated capture fisheries output (80,000 tons p.a.) and the current aquaculture growth rate of 6%–7% p.a., Zambia's local fish supply will only be able to meet approximately 44% of the projected 309,640 tons p.a. by 2030. Unmet fish demand from local sources presents an import substitution opportunity for investors planning to establish aquaculture businesses targeting Zambia and the Southern African markets. Zambia needs to increase its projected aquaculture growth rate to approximately 15% p.a. and increase farmed fish output by an additional 40,000 tons or so to the projected 56,640 tons p.a. by 2030, if it is to avoid imports increasing to 173,000 tons p.a. This will require substantial foreign direct investment (FDI). Abundant freshwater bodies make Zambia the best suited for developing integrated and market-oriented aquaculture investments in aquafeeds, fish farming (both cage and pond culture) and fish processing businesses.

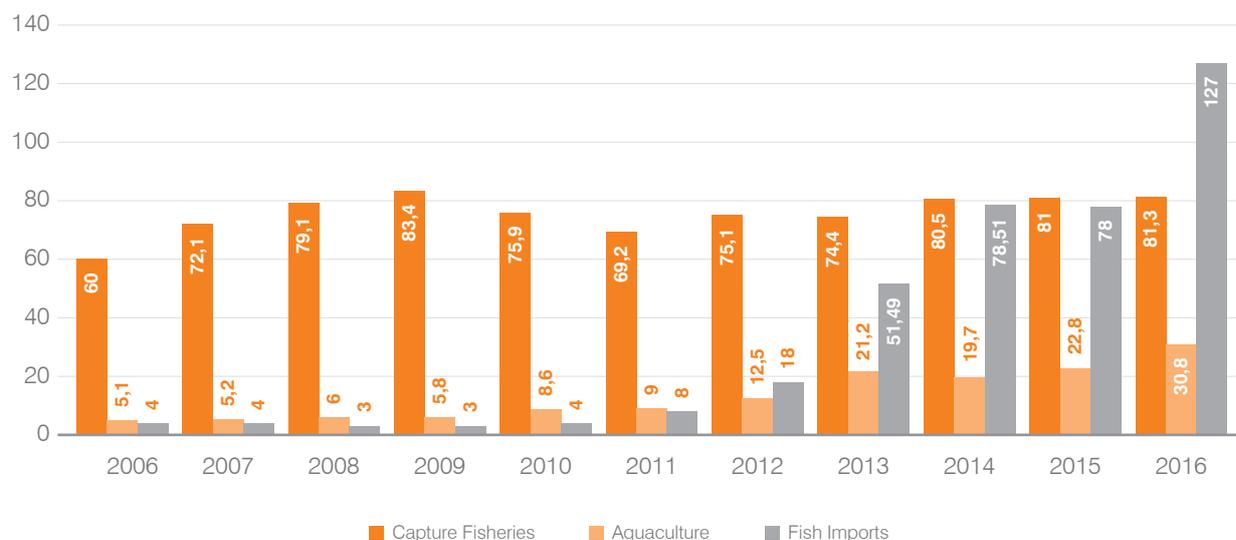
Specific investible opportunities in Zambia's aquaculture subsector include: i) Production and supply of top-quality aquafeeds to large-scale, small-scale and upcoming fish farmers. Zambia has an installed aquafeed processing capacity of 85,000 tons and new investments are needed to double the country's aquafeeds production capacity; ii) Intensive fish farming to help increase the farmed fish output and supply; and iii) Fish processing, cold chain facilities and distribution network establishment. These investments could be integrated with smallholder soybeans outgrower schemes for assured supply of aquafeeds raw materials. Zambia has also attracted increased donor funding, which the private sector could leverage on as they invest in aquaculture development.

2.1.1. State of fish industry

Local fish demand is estimated at 239,100 tons p.a. and per capita consumption is at 10.4 kg. By 2030, fish demand is projected to increase to 309,640 tons p.a. and per capita consumption to increase to 13.3 kg. This will result in a huge unmet demand. Overfishing in most natural water bodies has depleted the fish stock, resulting in dwindling catches/output, which has stagnated at 80,828 tons p.a. Currently, capture fisheries contribute 34% to national consumption and this will reduce to 26% of the projected total fish demand by 2030.

Local supply gap has catalysed some investments in aquaculture, resulting in a moderate increase in farmed fish output from just less than 20,000 tons in 2014 to 30,800 tons in 2016. At current investments and growth rates, aquaculture output is projected to reach 54,912 tons p.a. by 2030. Currently, aquaculture output contributes approximately 13% of national fish consumption. By 2030, aquaculture will only contribute 18% to national consumption. More investments are thus needed to increase aquaculture contribution to total local fish consumption.

FIGURE 4 Capture fisheries, aquaculture and imports ('000 tons)



Source: Namonje-Kapembwa and Samboko, 2017 and COMSTAT Data Hub.

2.1.2. Fish imports

To meet its local fish demand, Zambia imports increasing volumes of fish each year. To this effect, the World Bank estimates that fish imports to Zambia have increased 15-fold in the past decade. With capture fisheries stagnating and aquaculture only growing at 6%–7%,

fish imports are projected to increase even further from 127,000 tons in 2016 to 173,900 tons by 2030. This development will make fish imports the main source (accounting for 56%) of fish consumed in Zambia by 2030 (Tran, et al., 2018).





TABLE 2 Fish production, consumption and trade projections

ITEM	2014	2030					
	BAU	HiGDP	LowGDP	HiTAX	HiAQUA	HiCAP	
Total Fish (t)	100.109	135.740	135.740	135.740	135.740	224.577	157481
Capture Fisheries (t)	80.828	80.828	80.828	80.828	80.828	80.828	102570
Aquaculture (t)	19.281	54.912	54.912	54.912	54.912	143.749	54.912,00
Per capita Consumption (kg/person/year)	10,40	13,30	17,70	10,40	11,80	16,50	13,90
Fish imports (t)	55.184	173.900	277.288	106.901	138.855	160.740	167.067
Fish exports (t)	136	100	86	117	98	109	107
Retail Prices (USD/t)							
Breams	3.250	5.181	7.096	3.733	5.342	3.066	4.679
Kapenta	4.500	8.202	10.590	6.257	8.689	7.405	7.109
Cat Fish	4.069	7.012	9.528	5.093	7.258	6.210	6.208
Buka	3.793	6.914	8.927	5.274	7.324	6.242	5.993
Other Fish	3.695	7.054	9.497	5.171	7.332	6.270	6.053
Notes							
BAU: Business -as-usual - assuming 6.76% aquaculture growth rate and GDP growth rate of 6.76%							
HiGDP: optimistic annual GDP growth rate of 9.76% and aquaculture growth rate of 6.76%							
LowGDP: slower annual GDP growth rate of 3.76% same other assumptions as under BAU							
HiTAX: stronger fish import regulations - 50% increase in import tax							
HiAQUA: faster annual aquaculture growth rate of 15%							
HiCAP: annual capture fisheries growth rate of 1.5%							

Source: Marine Policy 99 (2019).

2.1.3. Fish sector challenges

Poor aquaculture skills and management practices, uncoordinated aquaculture developments efforts, poor fingerlings quality, and limited access to aquaculture inputs such as feed, fingerlings and equipment are the primary constraints affecting commercial aquaculture development in Zambia. Production and supply of top-quality aquafeeds and intensive fish farming technical and advisory services, especially to small-scale and upcoming fish farmers, remains underdeveloped in most parts of Zambia with good freshwater bodies.

2.2. Investment opportunities in poultry

Zambian poultry value chain offers investment opportunities key to transforming the sector into a more inclusive, productive and export-oriented value chain. Poultry processing, on-farm stock feeds manufacturing, point of lay pullet raising and free-range chicken commercialization are some of the promising investment opportunities that have remained underexploited and require FDI in order to be fully established.

2.2.1. Poultry processing

Investments in poultry processing are limited to broilers produced by large-scale broiler growers and under outgrower schemes. This leaves out broilers by small-scale farmers, who account for 65% of total annual broiler output. This situation has, in turn, consigned small-scale broilers to the live bird market channel, which has remained informal with supply inconsistencies and suffers from price volatilities much to the detriment of both the producers and consumers. To transform the Zambian poultry sector to meet international food safety and quality standards, Zambia needs to reduce the live bird market share to less than 20% from its current 70%. Additional poultry processing capacity of approximately 50,000 tons is thus required if Zambia is to increase its processed poultry meat market share from the current 35% to approximately 70%. This requirement has opened up an investment window for poultry processing of broiler chickens produced by small-scale farmers. Increasing chicken pieces demand among low- and medium-income households and increasing penetration of retail outlets in high population density areas are factors supporting investments in cold chain and distribution networks for individually quick-frozen (IQF) chicken pieces and processed whole birds targeting the upcoming low- and medium-income households.

TABLE 3 Processed broiler products (kg) (2008–18)

YEAR	IQF PORTION AND FAST FOOD	WHOLE BIRD	TOTAL PROCESSED
2018	30 247 250	15 683 759	45 931 009
2017	31 560 152	16 364 523	47 924 675
2016	29 229 543	15 156 060	44 385 603
2015	29 830 701	15 467 771	45 298 471
2014	27 947 864	14 491 485	42 439 350
2013	25 717 261	13 334 876	39 052 137
2012	22 118 696	11 468 953	33 587 649
2011	15 847 881	8 217 420	24 065 301
2010	11 611 677	6 020 870	17 632 547
2009	9 631 440	4 994 080	14 625 520
2008	10 810 800	5 605 600	16 416 400

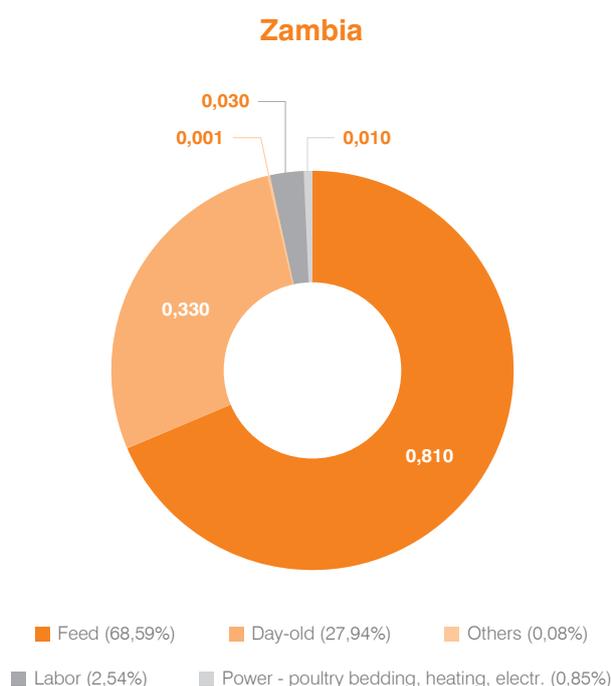
Source: Poultry Association of Zambia.



2.2.2. On-farm stock feeds manufacturing

Increasing smallholder broilers production has also created some business opportunities in on-farm stock feeds manufacturing businesses. Zambia has the highest feed costs at \$0.37/kg compared to the Federative Republic of Brazil's \$0.22/kg, South Africa's \$0.22/kg and the European Union's \$0.28/kg. The high cost of stock feeds gives Zambia the highest broiler production costs at \$1.3/kg, against the European Union's \$1.1/kg, Brazil's \$0.75/kg and South Africa's \$0.73/kg. The high cost of maize and soybeans and soy cake, price volatilities of imported mineral concentrates and the high transportation cost of raw materials and stock feeds to and from major urban centres where feed manufacturers are based contribute to high stock feed prices. Investments in on-farm stock feeds processing facilities could thus help reduce the cost of maize and soybeans and soy cake, and cut down the transportation costs. This, in turn, will help reduce the overall cost of production and make Zambian poultry and other livestock more competitive. The high number of small-scale poultry producers make on-farm soybeans and maize processing and stock feeds formulation and compounding opportunity more investible.

FIGURE 5 Broiler production cost structure (USD/kg) – broiler meat



Source: Poultry Association of Zambia.

2.2.3. Point of lay pullets production

Current poultry industry fundamentals also support investment prospects into small- and medium-scale point of lay pullet production to help reduce high point of lay prices and improve availability of pullets to small- and medium-scale farmers. Most small-scale egg producers are unable to access pullet chicks in good time whenever needed. Small-scale farmers are also unable to raise good-quality pullets up to point of lay. Diseases pressures mainly due to improper vaccinations and biosecurity lapses also result in increased mortality during the laying period. These constraints have opened up investment opportunities in point of lay pullet raising and marketing, development of eggs distribution networks and eggs trading.



2.2.4. Free-range chickens production and processing

Great investment opportunities exist in commercializing the production, value addition and marketing of free-range chickens. Free-range chicken marketing remains undeveloped as a result of minimal investments into production and value addition. This has led to supply inconsistencies against the growing and unmet demand locally. This, in turn, pushes up free-range prices to 1.6 times higher than broilers and ex-layer live bird prices. Production numbers have also remained low and are not exactly known, fuelling further supply uncertainties. The unmet and increasing demand for free-range chickens in regional export markets also provides a strong basis for investing in improved free-range chicken production, value addition and marketing. Improved free-range chicken would also help Zambia increase its poultry meat and eggs per capita at a fraction of the cost given the multipurpose nature of most of these free-range breeds.

Free-range chicken commercialization has also been boosted by the coming of new dual-purpose free-range chicken breeds, such as the Sasso bird by Hybrid and the Rowan Ranger by Ross Breeders.

2.2.5. State of Zambian poultry

Poultry is one of Zambia's top performing agricultural value chains, growing at annual rates of 8% and 10% for broilers and layers respectively (AgriProFocus, 2017). Poultry contributes a 48% share of the total livestock sector value added and approximately 2% of national GDP. Broilers account for 65% of the total poultry output value, while layers contribute approximately 30%. Total value added by the entire poultry value chain was estimated at \$568 million, with its meat subsector contributing \$368 million (65%) and the egg subsector contributing \$200 million (35%). Zambian poultry employs more than 80,000 people (50,000 direct jobs and 30,000 seasonal jobs). Poultry also provides most Zambian households with an affordable and healthy animal protein source.

DEMAND DYNAMICS

The domestic market consumes approximately 127,500 tons (85%) of national poultry meat output and 780 million eggs (60%) of national output annually. The remaining 15% and 40% meat and eggs are exported mainly into the Democratic Republic of the Congo. Poultry per capita consumption was estimated at 9.4 kg poultry meat and 65 eggs a year. These consumption rates are way below regional averages and place Zambia as protein-deficient country. Poultry marketing has by and large remained very informal. The live bird channel dominates poultry meat marketing, with up to 70% of broilers sold via this channel. Processed chickens only account for up to 30% of total annual output. Up to 90% of total egg output is sold via local informal markets. Rising demand for fresh chicken pieces among low- and medium-income households is, however, likely to start eating into the live bird market share going forward.

PRODUCTION AND PROCESSING

In 2017, poultry meat output reached 150,000 tons valued at approximately \$368 million. Egg production was estimated at 1.1 billion eggs (62,700 tons at 57 g/egg conversion rate) worth \$110 million. Up to 65% of total broilers are produced by small-scale growers, while 30% broiler output is accounted for by contract producers and outgrower schemes. Smallholders also produce the most (90%) free-range chickens and account for close to 40% of current national eggs output. Poultry processing has, however, remained low. By 2016, Zambia had an estimated installed annual broiler processing capacity of 64,715 tons, with only 45,000 tons processed annually. Major chicken processed products include individually quick-frozen (IQF) portions (breast fillets, gizzards, wings, drumsticks, chicken livers and mixed chicken parts packs), accounting for 66%. Other processed products include whole frozen birds, chicken sausages (vienna and Hungarian), polonies, salamis and burger patties. Increasing retail outlet penetration in high-density areas of most urban centres and cities is expected to help increase uptake of processed and frozen whole birds and chicken pieces by low- and medium-income households.

IMPORTS AND EXPORTS

Despite significant sector growth, Zambia still imports some mechanically deboned meat (MDM) due to lack of such processing facilities. Some large corporate egg producers also import day-old pullet chicks and hatching eggs mostly from Europe. Zambian poultry exports are also gaining momentum, with 15% (22,000 tons) of broiler meat and up to 40% (more than 440 million eggs) exported mostly to the Democratic Republic of the Congo in 2017. Zambia also exports 10%–20% of its day-old chicks and hatching eggs into Tanzania, Mozambique, the Republic of Botswana, and Zimbabwe.

INDUSTRY CHALLENGES

Limited value addition and processing, cold chain facilities and distribution network are the major challenges affecting most smallholder-grown broilers; hence, the huge live bird market. Lack of fairly priced tailored financing, lack of modern poultry skills (technical know-how) and improved husbandry practices, high stock feed prices and other input prices volatility, intermittent access to day-old chicks, poultry diseases pressures, and unassured offtake market due to high informality of the live bird and informal eggs market are the other key industry challenges that prospecting investors in the Zambian poultry sector need to look out for.



2.3. Investment opportunities in horticulture

Horticulture presents a huge import substitution and investment opportunity on processed horticultural products and vegetables that can be grown locally. Approximately 43% of Zambia's estimated \$20–\$35 million formal fresh produce imports is made up of onions, potatoes and carrots. The absence of curing facilities makes locally produced onions have poor shelf life, causing huge post-harvest losses. Limited potato processing and cold chain facilities has also led to seasonal potato deficits, especially during the rainy season when local production is lowest. This market situation has led to Zambia importing huge volumes of cured onions, and frozen and chipped potatoes. Industry players estimate potato and onion imports of close to \$35 million p.a., with approximately \$10 million being formal imports and the rest (approximately \$25 million) coming in informally from Tanzania, the Republic of Malawi, and Mozambique. These imports can easily be substituted with locally produced, processed and preserved products if investors seize the current onion curing, potato processing, cold chain infrastructure and supply management investment opportunities. Abundant land and water resources also present a number of production and value-addition investment opportunities that could help Zambia increase its output volumes and quality. Onions and potatoes also provide a good smallholder farmers' diversification opportunity into cash crops with better profit margins.

2.3.1. State of Zambian horticulture

Horticulture is one of Zambia's fast growing and key agricultural value chains contributing approximately 1.3% to national GDP. The industry holds a strong promise for alleviating poverty, creating jobs and improving the health and well-being of Zambians. Limited processing and value addition, lack of cold chain facilities and high informalities in fresh produce marketing are fuelling post-harvest losses and make Zambia a net importer of fresh produce, which could be substituted by locally grown products.

2.3.2. Demand dynamics

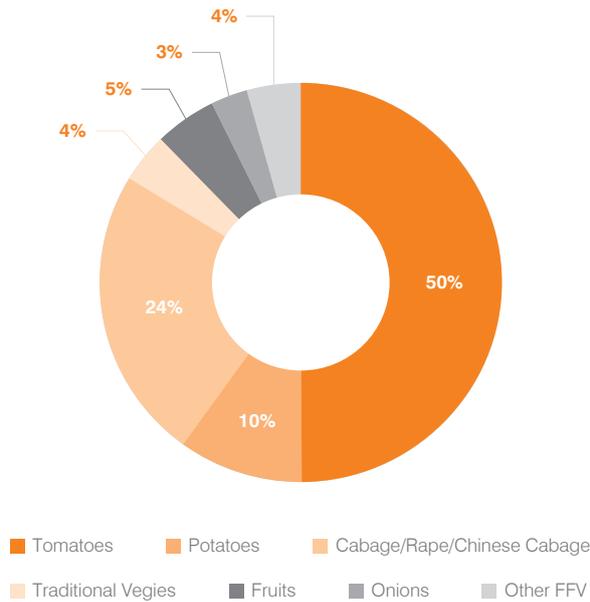
Zambia's fresh produce consumption increased to more than 1 million tons worth \$330 million in 2018 from 0.84 million tons valued at approximately \$269 million in 2015. Net fresh produce farm sales on the domestic market are estimated at \$200 million p.a. Close to 70% of marketed fresh produce goes through informal open-air wholesale and retail markets characterized by unhygienic conditions, poor price discovery and huge post-harvest losses. Despite a well-developed retail outlet network, supermarkets only account for 15%–20% of total national horticulture output.

2.3.3. Production trends

National fresh produce output is estimated at 1.4 million tons worth \$235 million. Production is expected to increase to 2.2 million tons annually by 2020. Net fresh produce annual sales on the domestic market (subtracting exports and home consumption by growers) are sitting at just less than 1 million tons, worth just more than \$200 million, and are estimated to increase by 50% in 2020. Central Province is Zambia's biggest fruits and vegetables (FV) producer and supplier, accounting for 60% of total estimated smallholder FV production volumes and 65% of total FV sales value in 2015. Lusaka Province is second at 10% of the 2015 FV production value and 9% of total FV sales value. Southern and Eastern Provinces follow at 3rd and 4th positions.



FIGURE 6 Produced and marketed fresh produce types

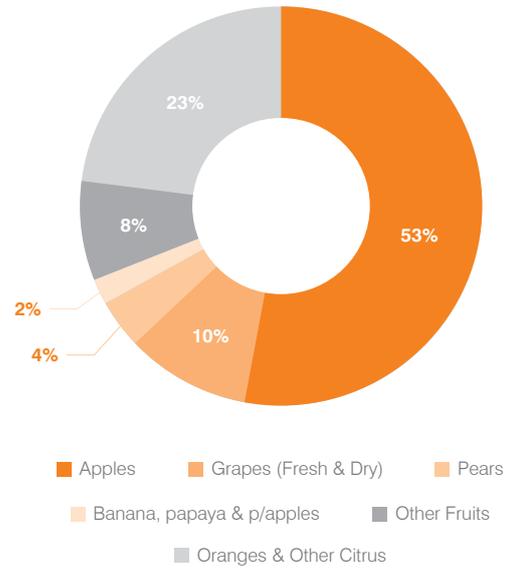


Source: Musika & IAPRI, 2018.

2.3.4. Imports and exports

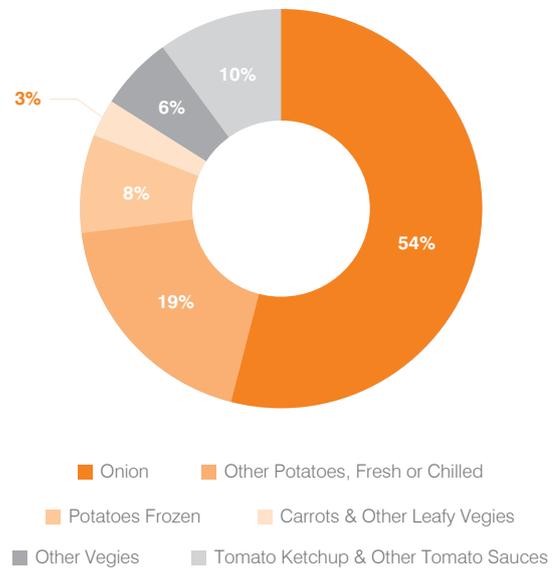
Zambia is a net importer of fruits, vegetables and processed horticultural products. Formal fresh produce imports range between \$20 million and \$35 million a year. In 2017, a combined total of 27,959.42 tons of fruit and vegetable imports worth approximately \$25 million were recorded. Apples accounted for 53%, citrus for 23% and grapes for 10% of total fruit imports annually. Onions accounted for 54% and potatoes for 37% of the total vegetable imports. Vegetable imports present a huge import substitution opportunity, especially for onions and potatoes. By investing in onion curing facilities, investors will assist in improving the quality shelf life of locally produced onions. Investments in cold storage facilities and other potato processing facilities will also help Zambia reduce its formal imports. Ultimately, these investments would also stimulate local onions and potato production, thereby enabling Zambia to increase its onions exports and to start exporting its Irish potatoes.

FIGURE 7 Fruit imports



Source: Musika & IAPRI, 2018.

FIGURE 8 Vegetable imports by type (2017)



Source: Musika & IAPRI, 2018.



2.3.5. Challenges

The key challenges affecting the sector are informal open-air markets that disadvantage producers and consumers, high supply inconsistencies and high price volatility, huge post-harvest losses (as high as 20%) due to limited cold chain facilities, and limited value addition and processing. Limited value addition and processing is also forcing formal retail chains to import even vegetables. Production side challenges include poor productivity, quantity and quality inconsistencies, limited access to financing, thus the current poor affordability of appropriate irrigation, crop protection solutions and other crop production technologies.

2.4. Investment prospects in edible oils

Zambia is faced with an increasing edible oils' deficit, which is serviced by imports worth more than \$200 million p.a. Currently, Zambia imports approximately 104,436 tons p.a. from SADC (54%), Asia (27%) and COMESA (19%). Part of these edible oil imports can be substituted with locally produced oil. This market situation presents investment opportunities in alternative oilseeds (e.g. high oleic oil sunflower) production and processing. Small and medium-sized enterprises (SMEs) edible oils processing investments using soybeans and other alternative oilseeds are other opportunities brought about by the edible oil deficit. The edible oils deficit situation also presents investment opportunities in on-farm stock feeds manufacturing.

2.4.1. State of edible oils

The edible oils subsector has significantly grown in response to increasing edible oils demand and to increasing oilseeds production output as raw materials. The crushing and refinery node of the subsector employs more than 3,000 people, sources its raw materials from thousands of oilseed farmers and generates more than \$180 million in revenue. Import substitution prospects give the edible oils subsector strong urban and rural growth links that make it very valuable to national agricultural growth and development, industrialization and economic diversification.

2.4.2. Edible oils demand

National edible oils consumption was last estimated at 120,493 tons (Chisanga & Nicholas, 2013). Edible oils consumption is expected to continue increasing. Currently, Zambia has a huge edible oils deficit, which is serviced by imports. Due to unmet demand, edible oils enjoy diversified marketing channels. From crushers and refineries, edible oils are distributed through wholesalers, distributors and informal traders. Retailing is done by a wide range of players, key among them major super-market and retail chains, formal and informal retailers and marketeers in all open-air markets.

TABLE 4 National edible oils consumption, imports and exports

TOTAL ANNUAL CONSUMPTION OF EDIBLE OILS:	120 493 TONS
Total domestic production:	40 096 tons
Total national deficit:	80 397 tons
Total exports of edible oils into the region:	24 039 tons
Total market deficit:	104 436 tons

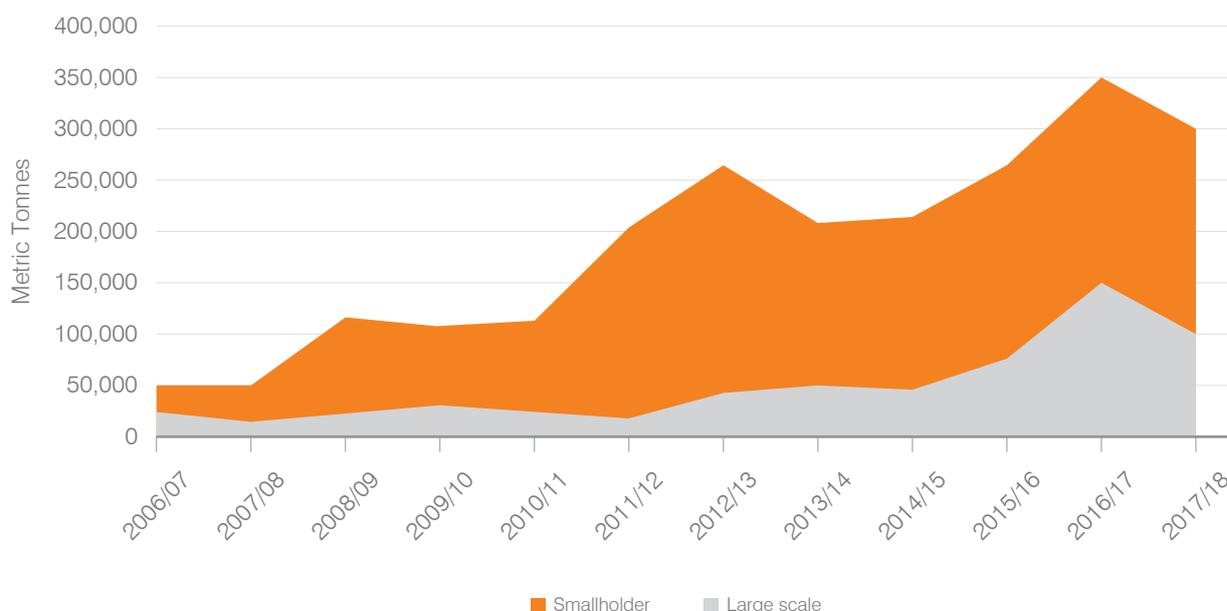
Source: Indaba Agricultural Policy Research Institute.



2.4.3. Oilseeds production

Soybeans is the major oilseed used for edible oils and it accounts for 60% of locally produced edible oils. Cotton seed accounts for 19% and sunflower accounts for 15% of locally produced edible oils. Other minor oilseeds account for the remaining 6%. Soybeans production has tremendously increased over years from 55,194 tons in 2007 to 302,720 tons in 2018 (448% increase). Figure 9 shows growth in soybeans production and the contributions from small- and large-scale farmers.

FIGURE 9 Soybeans production trends



Source: CSO/Ministry of Agriculture, various years.

2.4.4. Crushing and refinery

Zambia has an installed edible oil crushing and refining capacity of approximately 375,575 tons and 161,000 tons per annum respectively. Crushing and refinery capacities are 261% and 112% of the current local edible oils demand. From 169,000–211,250 tons of soybeans are processed into 135,000–169,000 tons soya cake and approximately 24,000–31,600 tons of oil. Current processing capacity usage is at 53% of the installed 375,575 tons. Soybeans are grown primarily for soya cake with edible oil as a by-product. As such, soya cake demand and prices determine how much of soybeans is processed at any given time. Cottonseed crushing into edible oil is done by two ginning companies operating a combined installed capacity of 17,000 tons per annum and the other two independent oil crushing companies with a combined installed capacity of 78,500 tons per annum. A total of 7,537.5 tons of oil and 42,200 tons of cotton cake is produced annually. Close to 30,000 tons of sunflower is processed by SMEs and individuals.

2.4.5. Imports and exports

Zambia is a net edible oils importer with a negative trade of 100,000 tons worth \$82.5 million at the end of 2018. Palm oil accounted for most (>62%) and soybean edible oil

accounted for 17% of all imported edible oils in 2018. Most (54%) of the edible oils are imported out of SADC and the Asia-Pacific Economic Cooperation (APEC) (27%). Edible oils out of COMESA account for 19% of total imports.

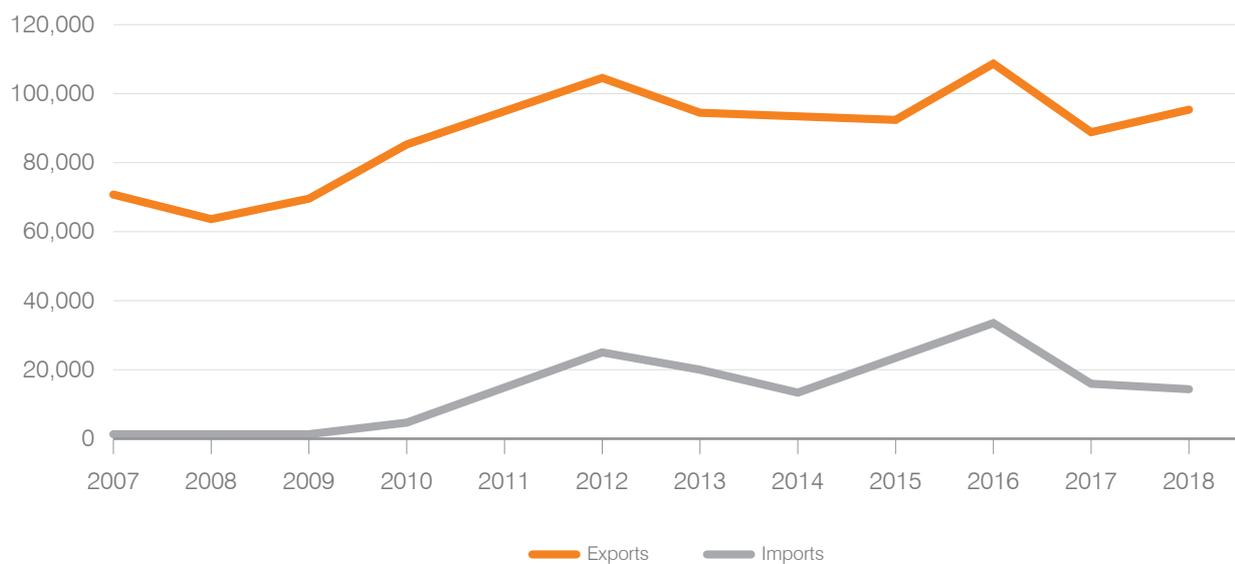
Crude oil dominates the imports, though refined products have sharply increased in the recent past, with Kenya, South Africa, Tanzania and to some extent Malawi being the main sources.

2.4.6. Challenges

Different tax regimes (e.g. value-added tax (VAT) treatment) on local edible oils has created high demand for imported oils from other countries. Informal edible oil imports is another challenge affecting the local edible oils sector. Import duty management at borders has also proved difficult, resulting in increased refined packed oil imports brought in as crude oil. Manipulation of SADC Rules of Origin have also seen a palm oil influx into Zambia. Other challenges affecting the edible oils subsector include heavy dependence on soybeans and poor value addition by SMEs. These challenges notwithstanding, current edible oils deficits present huge investment opportunities in smallholder oilseeds (high oleic oil sunflower) outgrower schemes, SMEs edible oils processing, SMEs and on-farm stock feeds manufacturing.

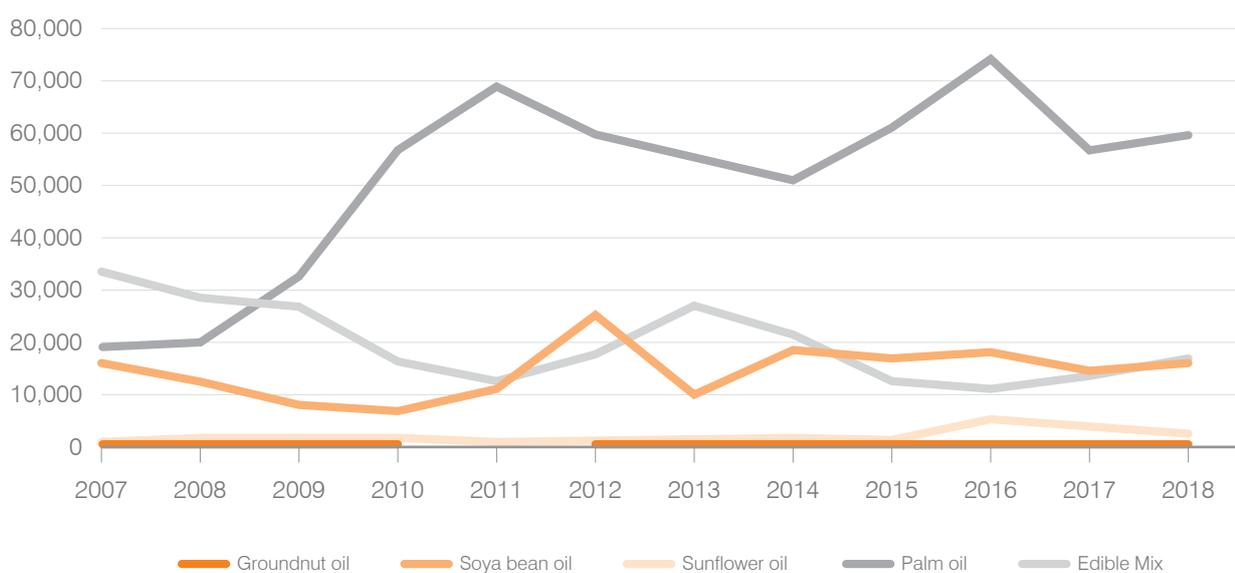


FIGURE 10 Edible oils exports and imports (USD 000)



Source: ITC Trade Map.

FIGURE 11 Edible oils imports by type (USD 000)



Source: ITC Trade Map.

2.5. Investment opportunities in dairy

Insignificant investments in improved milk production and marketing in high cattle rearing areas has led to limited dairy processing, lack of cold chain facilities and poor smallholder market access. This has led to low per capita milk consumption (at 16.5–19.4 litres against the recommended 200 litres), high milk losses and increased dairy imports. Only 75.9 million litres (30%) of the 253 million litres of annual raw smallholder milk is processed and marketed via a formal market channel. This leads to high smallholder milk losses due to lack of cold chain facilities. High smallholder milk losses have also led to increased powdered milk imports estimated at more than 5,000 tons worth more than \$20 million p.a. Zambia also imports a number of other processed dairy products that could be substituted with locally produced products.

2.5.1. State of Zambian dairy

Dairy is one of the top five nutrition-linked and fast-growing livestock subsectors in Zambia. The sector employs more than 31,000 people both directly and indirectly.

2.5.2. Consumption and production

Annual per capita milk consumption has remained low at 16.5–19.4 litres, against the World Health Organization (WHO) and Food and Agriculture Organization (FAO) recommended 200 litres. High milk prices and poor distribution networks due to limited cold chain facilities are the main factors behind low milk consumption. Current annual milk consumption stands at 268–300 million litres. Limited value addition and milk processing has led to increasing imports of powdered milk for processing dairy products like yogurt, cheese and ice cream to meet the urban demand. With a 25,000 national dairy herd, Zambia produces approximately 470 million litres of raw milk annually (Cheelo, et al., 2017). Smallholders (5,600) produce approximately 253 million litres of raw milk p.a. worth approximately \$80 million. Emergent and large-scale dairy producers account for 46.2% (217 million litres) of national raw milk p.a. Emergent and large-scale dairy producer also dominate (70%) the processed and formally marked dairy products. Only 30% of smallholder-produced raw milk is sold via the formal channel and processed.

2.5.3. Imports and exports

Low processing volumes have led to Zambia importing huge volumes (more than 5,000 tons) of powdered milk per annum worth more than \$20 million in order to meet the growing demand for processed milk products.



An additional 2,250 jobs can immediately be created along the value chain once powdered milk imports are substituted by locally produced raw milk. Such a measure could result in an increase by 11 million litres (15%) to the current 73 million litres of smallholder milk entering formal markets per annum.

2.5.4. Challenges

Poor productivity, limited extension services, poor animal husbandry practices, limited access to finance, improved dairy breeds, water and key supplementary feeds, poor access to market for raw milk and low levels of entrepreneurship among smallholder dairy farmers are the key challenges affecting the dairy sector. Despite these challenges, dairy remains one of the value chains capable of offering investors decent returns, for providing an effective pathway for smallholder farmers' commercialization, employment and wealth creation, and for enhancing food and nutrition security.

2.6. Processed health foods

High levels of stunting (40%) and underweight (15%) among children younger than five years of age have created investment opportunities in processed health foods. Commercialization of processed health food products is another promising business opportunity brought about by the current nutritional challenges affecting Zambia. Surplus maize, cassava, beans, soybeans, groundnuts, traditional vegetables, wheat and sugar also provide ample raw materials for value-added processed health foods. A huge import substitution opportunity also exists in corn and wheat breakfast cereals, potato chips and a range of baby and infant foods.



PART III:

Why invest?



PART III

3. WHY INVEST IN ZAMBIA?

Zambia is renowned for its peace and stability. Its strategic geolocation gives it better proximity and getaway to SADC and COMESA markets. In addition, Zambia has abundant and underused land and water resources. Ample raw materials availability for its manufacturing sector and its stable and growing economy are other fundamentals making Zambia among the best homes for FDI in food processing. A conducive investment and business environment, investor-friendly legal and regulatory frameworks, attractive investment incentives and good labour availability further make Zambia among Southern Africa's most preferred investment destinations. Improving ease of doing business and a reasonable Corruption Perceptions Index (CPI) score are other factors making Zambia among the best investment destinations. As Africa heralds its continental free trade area, Zambia naturally stands out as the best trade nexus for Eastern and Southern Africa. Zambia also enjoys a young and fast-growing population driving the domestic market.

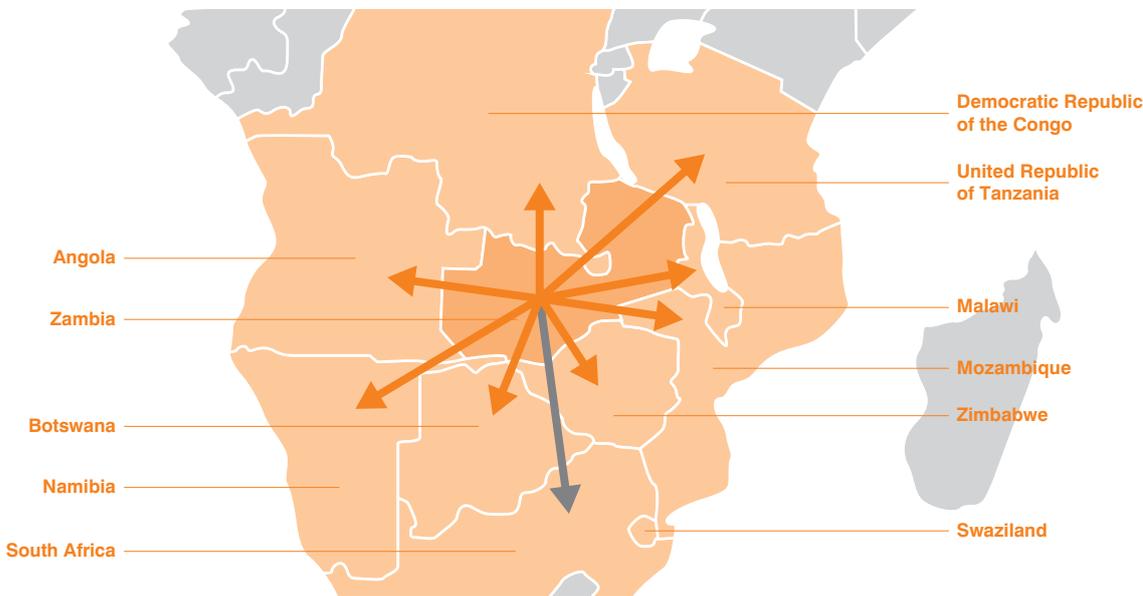
3.1. Peace and stability

According to the 2014 Global Peace Index (GPI), Zambia is the 3rd most peaceful country in Sub-Saharan Africa (SSA). The Republic of Mauritius is the most peaceful country in SSA, followed by Botswana. For more than 50 years, Zambia has maintained and enjoyed political stability with sound governance based on the rule of law and respect for private property rights. Since 1991, Zambia has upheld a presidential democracy and holds multiparty elections every five years. During this same period, Zambia has, three times, peacefully and seamlessly changed political parties and presidents. Home to more than 73 ethnic groupings, Zambia has exceptionally exhibited unity in diversity. Zambia is also the home of choice for many refugees and many other foreign nationals who have easily integrated into society and contribute to the country's industrialization and thriving private sector.

3.2. Connectivity to regional markets

Zambia is a Southern African land-linked country surrounded by eight neighbouring countries: the Democratic Republic of the Congo to the north, Tanzania to the north-east, Malawi to the east, Mozambique to the south-east, Zimbabwe and Botswana to the south, Namibia to the south-west, and Angola to the west. This unique geolocation makes

FIGURE 12 Zambia's neighbouring countries and potential export market



Source: IAPRI. 2018.

Zambia a strategic investment nexus and gateway to COMESA, SADC and the rest of Africa's major economic trade routes and markets. The African Continental Free Trade Area (AfCFTA) further solidifies Zambia's strategic geolocation position as one of Africa's future market and trade nexus.

3.3. Ample natural resources

Zambia is endowed with abundant land and water resources. More than 43 million hectares (58%) of its 75 million hectares of total land mass are of high to medium agricultural production potential. The rest (31.5 million hectares) are also suitable for livestock production and most other industrial uses. The country also has up to 2.75 million hectares of irrigable land, with 523,000 hectares of highest irrigation potential. However, only 14% of total arable agricultural land is being used. To help increase commercial agriculture and agribusiness investments, Zambia has established farming blocks (land banks) in each province for greenfield agricultural and agribusiness investments around the country. Zambia also holds close to 40% of the fresh waters in the Southern African region. It has five main rivers, namely the Zambezi, Kafue, Luangwa, Luapula and Chambeshi Rivers. The country is also home to major lakes such as Tanganyika, Mweru, Mweru Wa Ntipa, Bangweulu and the man-made lakes Kariba and Itezhi Tezhi. Despite all this irrigable land and fresh waters, only 30% of total land of highest irrigation potential is being irrigated currently.

3.4. Good climate

Zambia has a tropical to subtropical climate with two main seasons. The rainy season (November to April) corresponds to summer. The dry season (May to October) corresponds to winter. The dry season is further subdivided into the cool dry (May to August) and the hot dry (September to October/November) mini seasons. Table 5 shows the mean daily minimum and maximum temperature.

Rainfall varies between 400 mm and 1,500 mm per year across three major agro-climatological zones. Apart from the valley areas, most other areas fall into the 800 mm to 1,200 mm rainfall per year, resulting in an average rainfall of 1,020 mm per year during normal rainy seasons. This makes Zambia ideal for most rain-fed crops production.

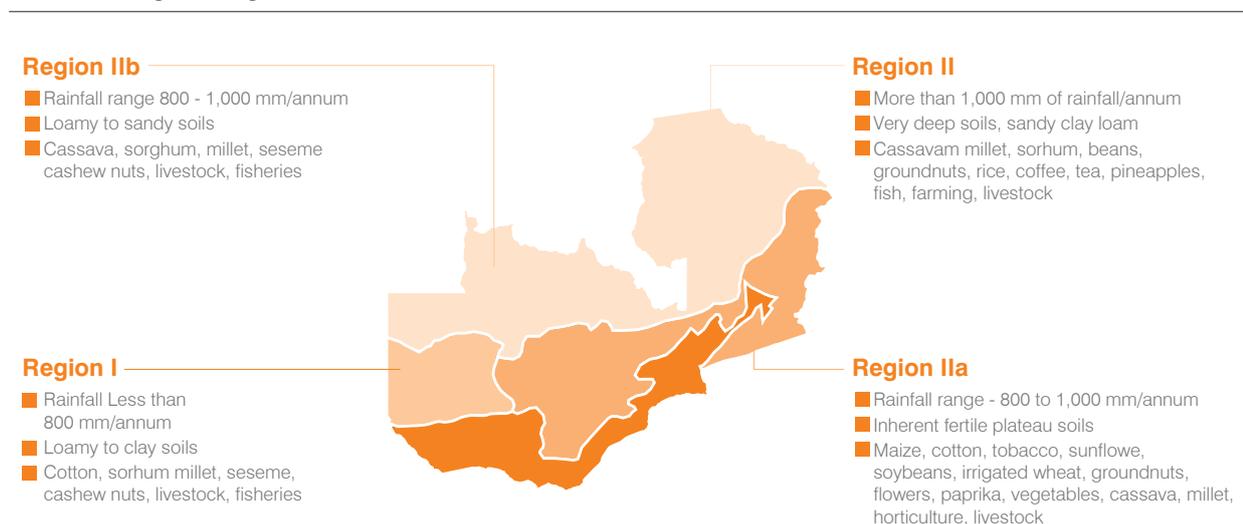
The highest rainfall is in the north (Region III), especially the north-west and the north-east of Zambia, decreasing towards the south. The driest areas are the far south-west, the Luangwa River and the middle of the Zambezi River Valley (Region I), parts of which are considered semi-arid. No part of the country is considered arid or a desert. Flooding is an annual event on floodplains, to which people and wildlife are adapted. Flash floods after unusually heavy rains occasionally cause some crop damage, especially in places that do not experience annual floods. Erosion and the washing out of roads and bridges are also a common feature, especially in high rainfall areas of the northern half of Zambia.

TABLE 5 Mean daily minimum and maximum temperature during main seasons

MONTHS	SEASON	MEAN DAILY MAX. TEMPERATURE °C (°F)	MEAN DAILY MIN. TEMPERATURE °C (°F)
May–August	Cool and dry	21–26 (70–79)	6–12 (43–54)
Sept.–Oct.	Hot and dry	28–35 (82–95)	17–22 (63–72)
Nov.–April	Rainy	25–30 (77–86)	14–19 (57–66)

Source: Zambia Meteorological Department.

FIGURE 13 Agroecological zones



Source: Zambia Meteorological Department.

3.5. Labour availability

Zambia enjoys good labour availability. According to 2017 CSO estimates, only 3,398,294 persons (37.5% of total working age of 9,056,840) made up the total labour force, leaving 62.5% (5,658,546 persons) out of the current labour force. Most (approximately 40%) of the working age population are in Lusaka and Copperbelt Province, a situation denoting high labour availability in cities and towns, which also happen to be the main demand centres and host major industrial zones. Unemployment remains high and is highest among youths (17% nationally, 19% in urban and 16% in rural areas). Youth unemployment is also higher among females (18.5%) against 16.5% among their male counterparts.

This makes most youths, especially females, available for the food and beverages manufacturing subsector. National unemployment was estimated at 13%, with Copperbelt, Muchinga, Northern, North-Western, Western and Luapula Provinces having unemployment rates of 14%–24%.

Zambia also enjoys competitively priced labour. Average earning (ZMW) per month by gender in rural and urban areas and type of employment are tabulated in Table 7. Most of the formerly employed in rural areas are, however, government employees who also receive rural hardship allowances, thus the skewed average earnings for rural areas.

TABLE 6 Working age and labour force categorization

DESCRIPTION	NUMBER OR PERCENT
Total population (2018 estimate)	16 405 229
Total working age	9 056 840
Total working age out of labour force	5 658 546
Total labour force	3 398 294
% Women labour force employed	39.5
% Men labour force employed	60.5
% Urban labour force employed	59.9
% Rural labour force employed	40.1
% Employed in informal sector	63.1
% Employed in formal sector	36.9
% Employed in agriculture	25.9
% Employed in non-agriculture	74.1
Youth labour force	1 558 389
% Youth employed rural	40.5
% Youth employed urban	59.5

Source: Central Statistical Office, 2018.

TABLE 7 Average monthly earning (ZMW) by area and employment type

Type of employment	TOTAL			RURAL			URBAN		
	Both genders	Male	Female	Both genders	Male	Female	Both genders	Male	Female
Total	3 330	3 301	3 401	3 425	3 299	3 772	3 297	3 301	3 286
Formal employment	4 261	4 098	4 706	4 758	4 450	5 635	4 102	3 984	4 419
Informal employment	2 254	2 313	2 126	2 087	2 126	1 979	2 319	2 392	2 173

Source: Central Statistical Office, 2018.

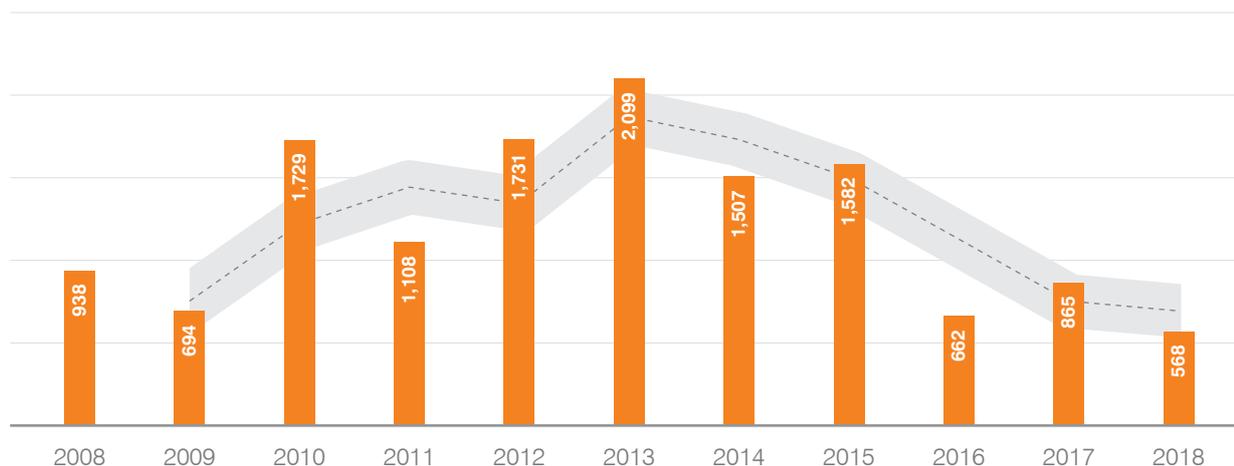
3.6. Sustained FDI inflows

Improving ease of doing business, growing and stable economy, strategic geolocation, proximity to regional markets, growing population, appropriate legislation and investment incentives make Zambia one of the most attractive investment destinations in Africa. Zambia was ranked the 2nd most attractive investment destination (with attractiveness score of 77%) in Southern Africa in 2015 (KPMG Africa, 2016). This has led to continued FDI inflows into Zambia. During 2013, Zambia experienced the highest increase in FDI inflows (\$2 billion) in Southern Africa from \$1.7 billion in 2012. The mining sector attracted most of the FDI inflows from 2007–15. However, the 2014/15 global commodity price crash led to most FDI going into manufacturing. In 2015, manufacturing received \$604.1 million (66.8%) of total FDI. The manufacturing (mainly cement, fertilizers and metal related) industry also accounted for 52.2% of the total FDI inflows in 2016. Manufacturing

(mainly cement, vegetable/oil fats and metal related) also received most (31.3%) of total FDI inflows in 2017. Other sectors that have continued attracting FDI include financial and insurance, real estate, trade (wholesale and retail), construction, transportation and storage, and agriculture. Figure 14 shows annual FDI inflows.

By 2016, industry estimates show that there were 182 majority owned foreign affiliates (MOFAs) in Zambia (Bank of Zambia, 2017) with a total sales/turnover of \$11,147.1 million. Chinese-affiliated companies accounted for \$1,471.2 million (13.2%) of total sales/turnover. MOFAs also employed a total of 83,601 people, with Chinese-affiliated companies accounting for 10,382 (12.4%). The number of Chinese investors in Zambia is increasing – see Table 8 for the number of Chinese nationals who were issued investors and employment permits in 2018.

FIGURE 14 Foreign direct investment inflows into Zambia (2008–18) (USD million)



Source: World Bank, 2019.

TABLE 8 Leading nationals issued with permits in 2018

NATIONALITY	RESIDENCE	INVESTOR	EMPLOYMENT	STUDY	TOTAL
Chinese	80	124	5 428	10	5 642
Indian	424	104	1 816	29	2 373
South African	74	60	622	42	798
Zimbabwean	87	10	192	62	351
American	38	18	225	6	287
Total	703	316	8 283	149	9 451

Source: Zambia Department of Immigration, 2018.



3.7. Growing economy and macroeconomic stability

Zambia has continued posting positive economic growth since 1990. From 2005–14, Zambia was among the world's fastest-growing economies, with real GDP growth averaging 7% p.a. The economy has continued growing, though at a decreasing rate since 2014. In 2017, Zambia's GDP was \$25.8 billion, representing 0.04% of global GDP, 3.7% of combined SADC GDP and 3.4% of the combined COMESA GDP.

TABLE 9 Zambia's GDP (current prices), inflation and exchange rate

PERIOD	1990–94	1995–99	2000–04	2005–09	2010–14	2015–18
GDP (USD billions)	3.36	3.73	4.60	13.68	24.89	23.67
GDP growth rate (% change)	-0.82	3.44	5.54	8.10	6.64	3.47
Inflation rate	121.66	30.73	21.81	12.77	7.26	10.51
Exchange rate (ZMW per USD)	0.28	1.53	4.13	4.17	5.27	9.73

Source: World Bank.

3.7.1. Key economic sectors

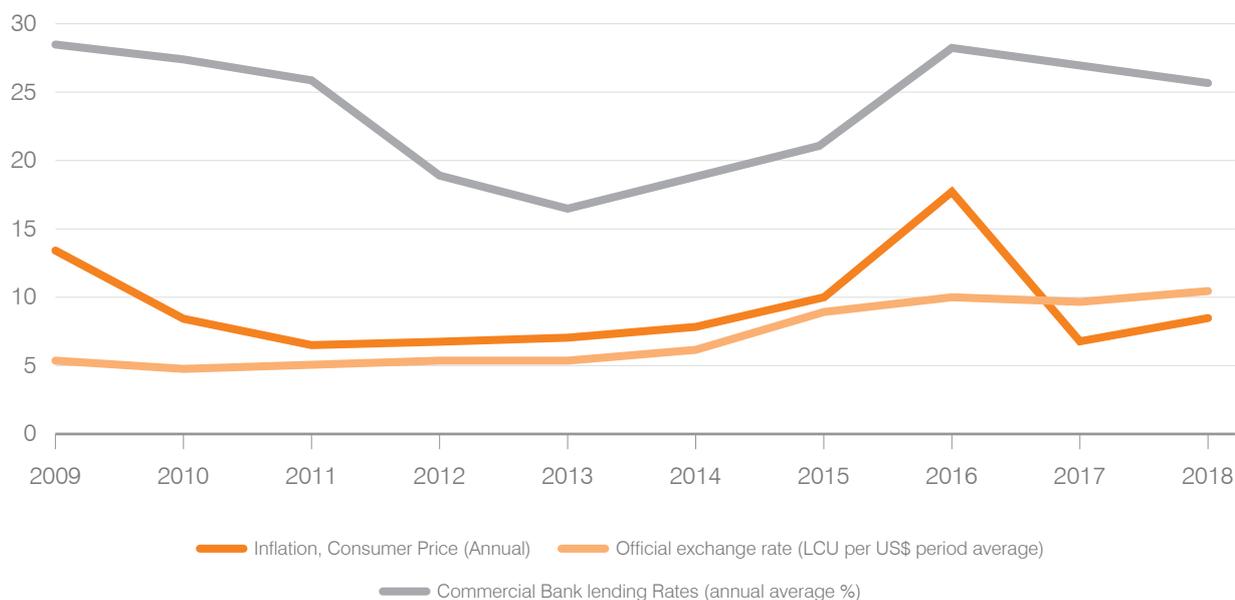
Primary economic sectors include mining and agriculture (accounts for 20%), while construction and manufacturing are the secondary economic sectors (contributing more than 20%) and trading, financial services and education are the key tertiary sectors (contributing more than 50%) to GDP. Table 10 shows the value added to Zambia's GDP by each of the major sectors from 2014–16.

TABLE 10 Main economic sectors and contribution to GDP

	2014	2015	2016
Agriculture, forestry and fishing	6,8	5	6,2
Mining and quarrying	14,6	12,7	13,2
Manufacturing	6,8	7,5	7,7
Construction	8,9	10,2	10,3
Financial and insurance activities	3,1	3,9	4,5
Wholesale and retail trade; repair of motor vehicles and motorcycles	21,8	22,3	20,9
Education	7,8	7,8	7,3
Real Estate Activities	4,1	4,8	4,5

Source: Central Statistical Office, 2018.

FIGURE 15 Inflation, interest and exchange rate trends (2009–18)



Source: BOZ and CSO.

3.7.2. Macroeconomic stability

Zambia has had relative macroeconomic stability despite inflationary pressures and foreign exchange rate volatilities induced by falling copper prices, reduced power generation, and depreciation of the kwacha, which intensified in 2015 and again in 2019. Risks to the economic outlook continue to stem from a substantial external debt that raises the likelihood of debt distress, along with effects of drought conditions during the 2018/19 farming season. Despite relative macroeconomic stability, commercial bank lending rates have remained approximately 26%. High interest rates are affecting private sector borrowing from local banks.

3.8. Conducive business environment

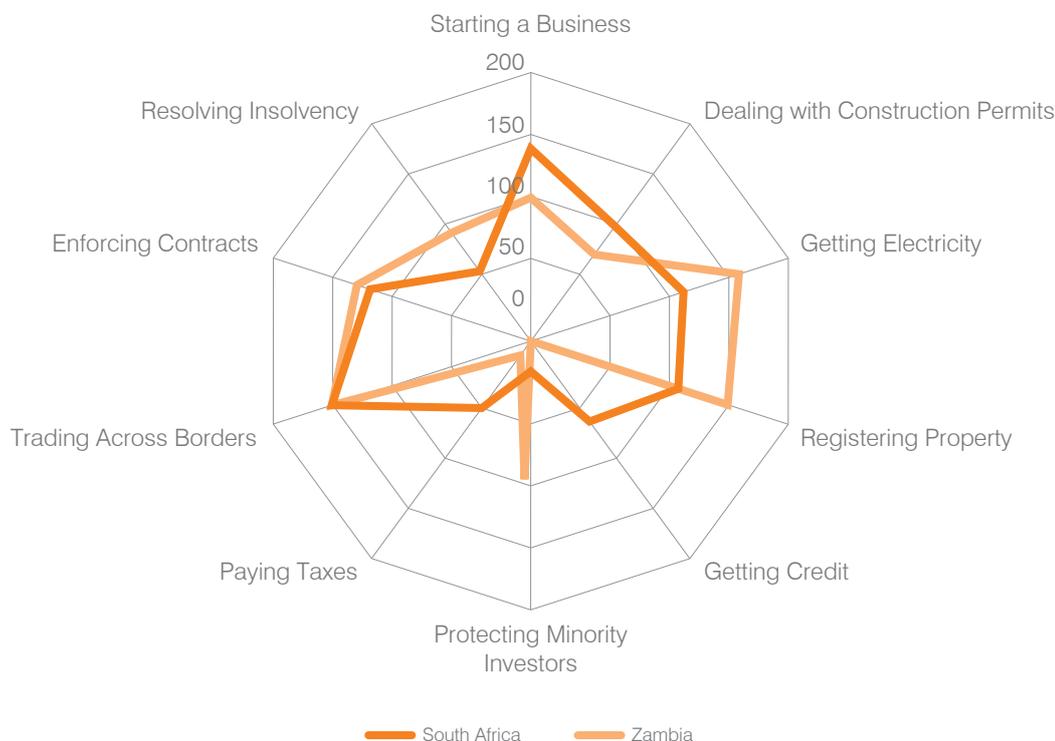
Zambia aspires to become a prosperous middle-income nation by 2030. To this effect, Zambia has created a conducive investment and business environment critical in attracting domestic and foreign direct investments needed to attain a competitive, self-sustaining and dynamic economy resilient to shocks. Private sector investments are being promoted as part of national economic diversification through industrialization, and promotion of strong and cohesive industrial linkages in the primary and secondary sectors.

3.8.1. Ease of doing business

Zambia has made resolving insolvency easier by introducing a reorganization procedure and granting debtors the possibility to obtain post-commencement governance. This was done through the Corporate Insolvency Act No. 09 of 2017. Zambia has also strengthened minority investor protection by increasing shareholders' rights and role in major corporate decisions as well as clarifying ownership and control structures. Automation of a construction permit system launched at the beginning of 2019 will also help to reduce the cost and time involved in dealing with construction permits and changing of ownership of property. Zambia has also made reforms aimed at easing processes and requirements for starting a business and employing workers once a business is established. Improvements in getting credit, paying taxes and trading across borders have also continued on an improvement trajectory (World Bank, 2018). Due to above developments, Zambia now ranks 85th in Ease of Doing Business – an improvement from 87th position in 2018 (World Bank, 2019). Improvements in its ease of doing business makes Zambia the 2nd most preferred investment destination in Southern Africa.

The government's fight against corruption is also yielding results, with Zambia scoring 35 points out of 100 in its latest Corruption Perceptions Index (CPI), making it the 105th least corrupt nation out of 175 countries (Transparency International Zambia, 2019).

FIGURE 16 Zambia and South Africa ease of doing business comparisons



Source: World Bank Ease of Doing Business 2019.

3.8.2. Supportive policies

Zambia has put in place a number of national policies meant to promote investments in manufacturing. The Seventh National Development Plan (7NDP) 2017–21 is designed to create a diversified and resilient Zambian economy through increased value addition and processing and industrialization of the agriculture and tourism sectors, amongst others, with high growth, poverty reduction and job creation potential. The 7NDP is also facilitating key reforms in land administration and management, the financial sector, business regulation, labour market, public service, information and communications technology (ICT) and trade facilitation.

The National Industrial Policy (NIP) of 2018 seeks to transform Zambia “from a producer and exporter of primary products into a net exporter of value-added goods and products utilizing local primary resources with increased citizens’ participation”. NIP is thus expected to stimulate and encourage food processing as a way of making use of locally produced grain cereals, oilseeds and legumes, etc. and increase national export earnings, creating employment opportunities and ultimately transforming the Zambian economy into a diversified and competitive industrialized economy well integrated into the international trading system. Specifically, NIP aims to increase growth of the manufacturing sector through, among other subsectors, food processing from an average of 5% to 20% and its contribution to GDP from 8% to 15% by 2027.

3.8.3. Investor-friendly laws

Zambia has adequate laws and legal frameworks to facilitate, nurture and protect local and foreign investments in all economic sectors. The Zambia Development Agency (ZDA) Act provides for a one-stop facility promoting and facilitating private and public sector investments in Zambia. The ZDA also facilitates industrial infrastructure development, promotes and facilitates greenfield investments through joint ventures and partnerships between local and foreign investors, and facilitates applications for work permits, water permits, electricity and other licences, permits and certificates of registration for investors. Zambia is also 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 bilateral reciprocal promotion and protection of investment protocols with a number of countries. The ZDA offers foreign investors further security against nationalization through the signing of the investment promotion and protection agreements (IPPAs).

3.8.4. Investment incentives

Zambia offers a range of incentives to ignite, attract, promote and sustain investments in food processing and all other key economic sectors. These include investment promotion incentives and export promotion incentives.

INVESTMENT PROMOTION INCENTIVES

Investors who invest \$500,000 or more in a multi-facility economic zone (MFEZ), an industrial park, in a priority sector¹ or in a rural enterprise under the ZDA Act are entitled to the following:

1. Fiscal incentives:
 - Customs duty exemption on machinery and equipment imported within five years from first year of operation;
 - Accelerated depreciation on machinery and equipment within two years for priority sectors under the ZDA Act and for manufacturing projects in a rural area, MFEZ and industrial park.
2. Non-fiscal incentives:
 - These include provision of investment guarantees and protection against nationalization and free facilitation for the application of immigration permits, secondary licences, land acquisition and utilities.
 - Investors who invest \$250,000 or more in any sector or product that is not provided for as a priority sector or product under the Act are entitled to non-fiscal incentives such as: investment guarantees and protection against state nationalization, and free facilitation for application of immigration permits, secondary licences, land acquisition and utilities. Prospective investors can also enter into investment promotion and protection agreements (IPPAs) as provided for by the ZDA Act.

EXPORT PROMOTION INCENTIVES

The Zambian Government, through the Tax Remission for Export Office (TREO), encourages local manufacturers to export their products via duty drawback systems. This is achieved through remitting duty and value-added tax (VAT) (duty drawback) on raw materials and intermediate goods used in the manufacturing of goods for export. Under this scheme, the manufacturer includes any process by which a commodity is finally produced, e.g. assembling, repacking, bottling, mixing, blending, grinding, cutting, bending, twisting, joining or any other similar activity. The remission of duty is done once the exporter provides evidence of exportation of the goods, which includes the customs entry and certificate of export.

3.9. Established banking sector

Zambia has a well-developed banking sector with good branch network in all major cities and towns. Zambia has 18 licenced commercial banks, of which eight are locally owned, eight are subsidiaries of foreign-owned banks, and two are jointly owned by the government and foreign banks. The Bank of China is among the foreign-owned banks. All banks and other financial institutions are subjected to regulatory requirements that include their prudential position, consumer protection and market conduct in order to safeguard the overall soundness and stability of the financial system. A good branch network enables Zambian banks to facilitate large payments through the Zambia Interbank Payment and Settlement System (ZIPSS). Banks also offer retail payment services through a number of payment mechanisms, which include electronic funds transfers (EFTs), cheques, automated teller machines (ATMs), point of sale (PoS), remittance systems (both for domestic and international) and mobile payment systems. Short-, medium- and long-term credit is available to corporates in both local and major international convertible currencies. Most existing banks prefer lending to corporates and international firms of good reputation. Lending rates on major foreign currencies (Euro, USD and British pound) range from 7%–12% p.a. depending on the perceived risk profile. Banks are, however, unable to lend more than 25% of their primary capital and this limits amounts that a single bank can lend to a big project without syndicating the loan with other banks.

3.10. Support infrastructure

Zambia has developed robust support infrastructure such as MFEZs, transport and communications network servicing local industries and the region. Support infrastructure and services critical to food processing investments and development include:

3.10.1. Multi-facility economic zones

To enhance the competitiveness of its manufacturing sector, Zambia has established multi-facility economic zones (MFEZs). MFEZs are meant to create and foster an attractive business environment, promote exports and enhance domestic trade. So far, three main MFEZs have been established: the Zambia–China Economic and Trade Cooperation Zone (ZCCZ), also called the Lusaka East (LE-MFEZ), the Lusaka South Multi-Facility Economic Zone (LS-MFEZ), and the Chambishi Multi-Facility Economic Zone (CMFEZ). ZCCZ is the first Chinese overseas economic and trade cooperation zone established in Africa as a multi-use facility open for both foreign and Zambian investments. It has a planned area of 5.7 km² and is located 25 km north-east of Lusaka City, next to Kenneth Kaunda International Airport. Land under a MFEZ is available for a 40-year lease renewable for locally registered companies at \$0.27–0.30 per m².

¹ Manufacturing, agriculture, mining, tourism, infrastructure and energy sectors.



Phase I is approximately 1.6 km². Intended sectors in the ZCCZ include agriculture, agroprocessing, textiles and apparel, brewery, pharmaceuticals, building materials, logistics (storage) and international commerce.

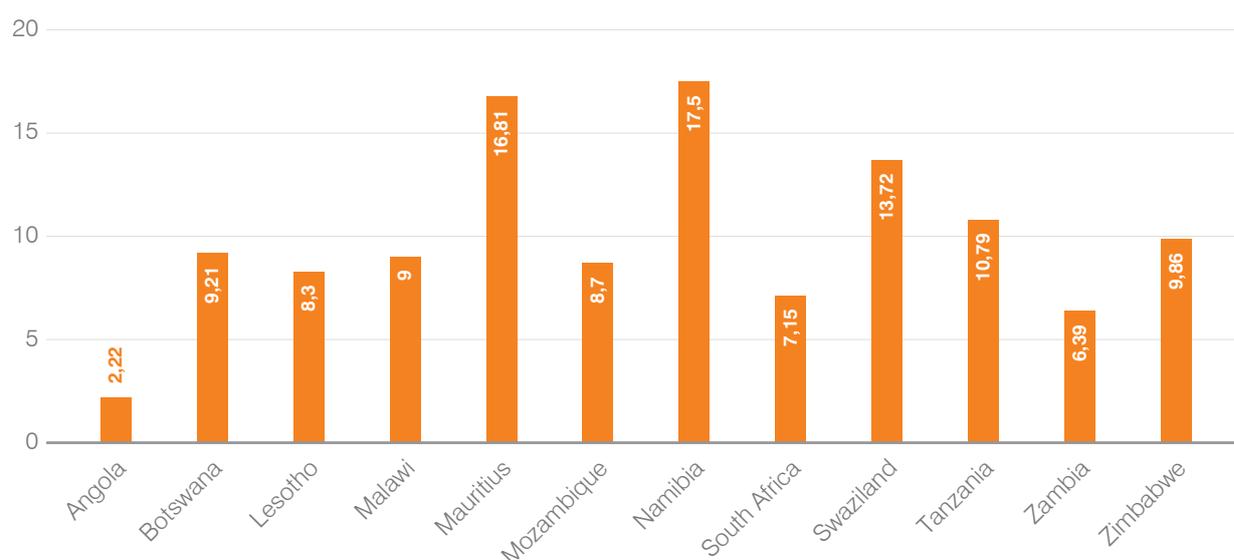
CMFEZ is a sub-zone of ZCCZ with the same developer China Nonferrous Metal Mining Co. Ltd (CNMC), which was opened in 2007. It is located in the city of Chambishi in the Copperbelt Province approximately 308 km north of Lusaka. CMFEZ is 5.26 km². CMFEZ is also a multi-functional zone and open for both foreign and domestic investors. The priority sectors include mining, engineering equipment assembly, construction materials, fertilizers, agriculture, and service sectors such as banking and hospitals. LS-MFEZ is approximately 10 km from the Lusaka city centre and 21 km from the Kenneth Kaunda International Airport. It has a total area of 2,100 hectares and has been planned to be developed in five phases beginning with Phase I in the north-eastern side of the zone. The zone is a mixed-use development comprising industrial, commercial and residential developments. The intended sectors for the zone include agribusiness,

textile and apparel manufacturing, packaging and printing, palm oil processing, pulp and packaging boards, pharmaceuticals, electrical and electronic appliances, information and communications technology (ICT), education and skills training, research and development (R&D), and professional, medical, scientific and measuring services.

ELECTRICITY

There is assured and easy access to electricity in all established multi-facility economic zones. LS-MFEZ has developed a power substation of 330/132/33 KV and a 330 KV powerline to provide 150 MW power for the zone. Similarly, CMFEZ has developed a 330 KV substation, with 66 KV and 10KV transmission lines servicing the zone. Access to electricity outside the MFEZ is also reasonably easier and assured. Cost of electricity has also remained relatively lower than most other Southern African neighbours. Government is, however, reviewing electricity tariffs and seeks to adjust tariffs towards more cost-reflective levels. This move is meant to attract more private investments into power generation, distribution and supply.

FIGURE 17 Electricity tariffs (USDc/kWh) in comparison with neighbouring countries



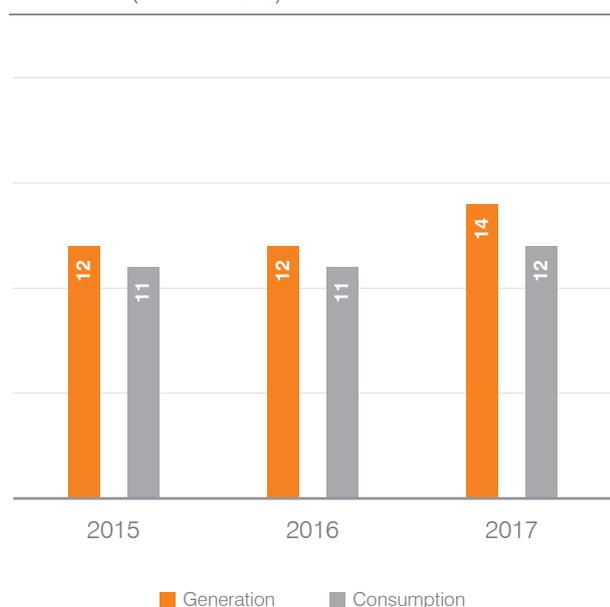
Source: ZESCO.

Increasing electricity demand and reduced hydropower output during drought-affected years has led to power shortages and load shedding in 2019. Up to 85% of Zambia's installed electricity generation capacity is hydro-based. This exposes the country to electricity shortages in years affected by drought. MFEZs are also affected by power shortages during drought-hit years, thus ongoing investments in renewable energy to avert power shortages during and after droughts in MFEZs. In good rainfall years, Zambia generates approximately 14.3 million Mwh against the national electricity consumption of approximately 12 million Mwh. Mining is the biggest electricity consumer, accounting for 53.1% of total consumed electricity nationally, followed by the services sector at 32.4%. Household access to electricity is currently at 31%, with 67% of the urban and 4% of the rural population having access to power. Manufacturing consumes only 4% and agriculture consumes 2% of power.

WATER

Zambia has abundant underground water. All established MFEZs have developed their underground water sources and reservoirs, water distribution network and sewer networks. Once water sources are developed, supply costs have remained insignificant in comparison to other utility costs. Outside these industrial hubs, underground water can also easily be developed for industrial use. Investors planning to explore and develop boreholes for industrial and domestic water use are required to apply and get permission from the Water Resources Management Authority (WARMA) (<http://www.warma.org.zm>).

FIGURE 18 Electricity generation and consumption (Mwh millions)



Source: Ministry of Finance, 2018.

FUEL

Zambia imports all its petroleum products, making it among its top five imports. In 2017, Zambia imported 519,438 tons of petroleum products, up from 483,887 tons in 2016. This was in addition to 306,193 m3 and 408,100 m3 of unleaded petrol and low sulphur gas oil respectively. National fuel consumption has continued increasing. Diesel consumption reached 987,283,288 litres and that of petrol hit 461,427,680 litres in 2017. Heavy fuel oils consumption reached 162,144,107 kg, while that of liquid petroleum gas (LPG) hit 9,253,578 kg. Zambia is, however, faced with high petroleum prices. On average, Zambian consumers pay approximately 15% more than the global diesel price average. High fuel prices are attributed to the depreciating local currency, levies and taxes, and procurement inefficiencies among other factors.

3.11. Logistics and connectivity

As a land-linked country, Zambia depends heavily on its transport and communication networks for domestic and regional trade. This is why Zambia has continued investing in road, air transport and telecommunication infrastructure. As a result, Zambia now has relatively developed road and air transport sectors. Railway transport infrastructure is, however, ageing and underperforming, with plans and efforts at revamping it already underway. Inland marine waterways offer great potential for enhanced trade into the Great Lakes Region and Eastern Democratic Republic of the Congo, but also need urgent upgrade and commercialization.

3.11.1. Road network

Most parts of Zambia are serviced by its relatively developed 37,000 km road network made up of 6,476 km surfaced roads to Class 1 bituminous standard, and 8,478 km and 21,967 km of earth and gravel roads respectively. Zambia also has a 30,000 km capillary of ungazetted community roads, especially in most agricultural areas, used to transport food processing raw materials to main marketing points. The country's road network is also heavily used by neighbouring countries, a situation that puts enormous pressure on these roads. All established industrial zones where foreign direct investments in food processing have been earmarked have well-developed road networks. In addition to the more than 20 km road network within the zone, a new Chifwema access road has been constructed and connects LS-MFEZ to the rest of the main road network. Both ZCCZ and CMFEZ have developed good internal road networks and are connected to the main road network by Class 1 bituminous standard highways. ZCCZ is located 25 km north-east of Lusaka City, next to Kenneth Kaunda International Airport, while LS-MFEZ is 10 km from Lusaka City Centre. CMFEZ is in Chambishi of the Copperbelt Province, approximately 308 km north of Lusaka. To help facilitate regional

connectivity, Zambia has upgraded its border entry points to one-stop border facilities. Kazungula Bridge and one stop-border with Botswana is the latest of such facilities being developed. Once completed, the Kazungula Bridge project will transform the dynamics of transportation in surrounding communities, cities and countries (Botswana, Namibia and Zimbabwe), boosting road travel and the ease of doing business within the Southern African Development Community, the East African Community and the Common Market for Eastern and Southern Africa. The poor state of most earth and gravel roads is the

biggest challenge to most agricultural projects, as most of these roads are not all-weather roads. A number of roads rehabilitation, expansion and development projects are underway, and the country is continuously working at improving its entire road network. Table 11 shows cargo volumes by road and other transport.

Cost of cargo transportation per ton per kilometre on Zambian roads is approximately \$0.06 and delivery time from major ports like the Lusaka–Durban route is 8–9 days.

TABLE 11 Cargo volumes by transportation mode

	VOLUME OF CARGO TRANSPORTED (TONS)		
	2015	2016	2017
Road	16 554 107	18 498 196	24 206 222
Rail	996 895	761 025	874 008
Air	16 935	19 086	19 087
Maritime	54 298	108 692	172 760
Total	17 622 235	19 386 999	25 272 077

Source: Zambia Meteorological Department.

TABLE 12 Road transport cargo per ton per kilometre

Port	Distance to Lusaka (km)	CONTAINER INLAND HAULAGE BY ROAD		HAULAGE BY TRUCKS WITH FLAT TRAILERS	
		Import rates in \$ per tonne (CIF) per km	Export rates in \$ per tonne (CIF) per km	Import rates in \$ per tonne (CIF) per km	Export rates in \$ per tonne (CIF) per km
Durban	2154	0,14	0,17	0,11	0,07
Dar es slaam	1955	0,15	0,19	0,12	0,08
Beira	1044	0,28	0,11	0,17	0,14

Source: <http://www.zda.org.zm/cost/en/Cost%20of%20Doing%20Business>.

3.11.2. Rail network

Zambia's more than 2,922 km railway network (900 km of main lines under Zambia Railways and 1,860 km mainline under the Tanzania-Zambia Railway Authority (TAZARA)) has aged and is currently underperforming. This is also due to lack of locomotives, poor track conditions and wagon ability, and low operating capital. The poor condition of the rail network on both the main and branch lines is another challenge. This has forced trains to run at average speeds of 20 km and 25 km per hour and with a lot of derailments. Slow speed and the poor state of the railways are the major reasons most of Zambia's imports and exports use road, a situation that pushes prices higher. Cost of cargo transportation per ton per kilometre on railways is approximately \$0.06 and delivery times vary from 12–15 days to Dar es Salaam, for instance.

3.11.3. Water transport

Zambia's water transport remains underdeveloped and underused, especially in Lake Tanganyika. This notwithstanding, Mpulungu port still facilitates huge volumes of exports into the Great Lakes Region and beyond. Throughput cargo volume has been increasing since 2013. By the end of 2017, throughput cargo volume reached 173,210 tons. Mpulungu port, however, lacks requisite infrastructure and commercial cargo vessels needed to facilitate increasing local trade and exports. Limited cargo vessels are constraining trade and delaying Zambia's exports into Eastern Democratic Republic of the Congo and the Great Lakes Region. Inadequate storage capacity and cargo handling equipment are also affecting throughput cargo.



3.11.4. Air transport

Air transport is another critical trade- and investment-enabling infrastructure. Currently, there are four international airports, all of which have received major facelifts and/or are being upgraded. This has given all major industrial zones good air transport connectivity. Once commissioned, the upgraded Kenneth Kaunda International Airport will facilitate trade logistics for ZCCZ, which is

within the airport vicinity, and LS-MFEZ, which is approximately 25 km away. The upcoming Ndola International Airport is being earmarked for air cargo transport and will easily connect CMFEZ. Zambia has also adopted an open skies policy, a development that has seen the birth of an air cargo hub to connect the Southern African region. Currently, approximately 19,087 tons of cargo is transported by air annually.

TABLE 13 Cell phone and internet users and penetration

ITEM	2016	PERIOD (YEAR)		% CHANGE 2017-18
		2017	2018	
Cell phone subscriber base (#)	12 017 034	13 438 539	15 470 270	15.1%
Cell phone penetration	74.9%	81.9%	91.6%	9.7%
Internet users (#)	*	7 800 000	9 800 000	25.6%
Internet penetration	*	47.3%	58.4%	11.1%

Source: Zambia Information Communication Technologies Agency, 2019.

TABLE 14 Visas and permits: costs and time

TYPE	APPLICATION COST	RENEWAL COST	PROCESSING TIME
Single-entry visa	\$50	\$50	5 days
Multiple-entry visa	\$80	\$80	5 days
Transit visa	\$50	\$50	5 days
Day tripper visa	\$20	\$20	5 days
Temporary employment permit	ZK4 500	ZK5 250	21 days
Employment permit	ZK6 000	ZK7 000	21 days
Temporary permit	ZK6 000	ZK5 250	21 days
Investors permit	ZK4 000	ZK5 000	21 days
Residence permit	ZK5 000	0	21 days
Spousal permit	ZK750	ZK1 500	21 days

Source: Zambia Immigration Department, 2019.



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3.11.5. Telecommunications

Zambia has a well-established telecommunications infrastructure with capacity to easily facilitate commerce and trade within Zambia and with external markets. Cell phone coverage is almost reaching saturation while internet penetration is growing at more than 20% p.a. Table 13 shows the cell phone and internet subscriber base and penetration.

Though not as high as cell phone and internet use and penetration, digital financial services, especially mobile payments, are gaining momentum. This has kept transactional costs high.

3.12. Support services

Improved phone and internet connectivity have also enabled the digitization of key business services such as e-tax returns and payments, e-immigration services and digitized public procurement of goods and services as detailed below.

3.12.1. Immigration visas and permits

To ease visa applications, government has introduced online application and processing of visas and permits. Any foreign investor who invests a minimum of \$250,000 or its equivalent and employs a minimum of 200 employees (of certain technical or managerial levels) is entitled to

a self-employment permit or resident permit. The ZDA assists qualifying investors to obtain work permits for up to five expatriate employees. An entry permit holder can apply to be granted a dependant's pass for each of his dependants. Table 14 details the type, cost and processing time for the various visas and permits.

3.12.2. Taxation

Pursuant to the provisions of the Income Tax Act, Cap. 323, businesses in Zambia are required to pay a number of taxes. Main taxes payable include corporate income tax, personal income tax, withholding tax, value-added tax and property transfer tax. The Ministry of Finance and National Planning is responsible for the formulation of tax policy and the tax-implementing agency is the Zambia Revenue Authority (ZRA) (advice@zra.org.zm).

CORPORATE INCOME TAX

Corporate income tax is paid on trading profits and other taxable income such as interest, royalties and rental income. Corporate income tax rates are currently 35%, but companies such as agricultural and agroprocessing companies are taxed at 10%. A one-year 2% discount is granted to newly listed companies on the Lusaka Stock Exchange (LuSE). A 5% discount is also granted to a LuSE-listed company for as long as one-third of shares are owned by indigenous Zambians. Table 15 details the corporate tax rates for each prioritized sector.



TABLE 15 Corporate tax categories and rates

SECTOR CATEGORY	CORPORATE INCOME TAX RATE		
	2020	2019	2018
1. Manufacturing and others	35%	35%	35%
2. Manufacturing – value added to copper cathodes	15%	15%	15%
3. Manufacturing organic and chemical fertilizers	15%	15%	15%
4. Farming	10%	10%	10%
5. Agroprocessing	10%	10%	10%
6. Companies listed on LuSE in 1 st year of listing (less 2%)	33%	33%	33%
7. Companies with one-third of shares owned by indigenous Zambians (less 5%)	30%	30%	30%
8. Non-traditional exports	15%	15%	15%
9. Export of non-traditional exports from farming or agroprocessing	10%	10%	10%
Capital allowance deductions	2020	2019	2018
10. Investment/initial allowance on new industrial building	10%	10%	10%
11. Industrial building allowance	5%	5%	5%
12. Plant and machinery used in manufacturing and tourism	50%	50%	50%
13. Implements and machinery used in the generation of electricity	50%	50%	50%
14. Plant, equipment and machinery used in farming and agroprocessing	100%	100%	100%
15. Commercial building	2%	2%	2%
16. Commercial motor vehicle and other plant machinery	25%	25%	25%
17. Farm works/improvements and improvement allowance under MFEZ only	100%	100%	100%
Capital allowance is provided on an annual basis irrespective of how accounts are drawn or prepared.			

PERSONAL INCOME TAX

Personal income tax is paid by people resident or deemed to be resident in Zambia. Personal income tax is also charged directly on profits made by corporate bodies such as limited liability companies and trusts. Current personal income tax is 35%. Employers are also required to register and operate a Pay As You Earn (PAYE) scheme under which they are required to deduct the appropriate tax from the emoluments of liable employees and remit the tax to the Zambia Revenue Authority. Table 16 shows the applicable personal income tax rates for salaried employees in Zambia.

TABLE 16 PAYE rates by income band

INCOME BAND PER ANNUM	INCOME BANDS PER MONTH	TAX RATE CHARGEABLE
First K39 600	First K3 300	0%
Next K9 600	Next K800	25%
Next K25 200	Next K2 100	30%
Balance more than K74 400	Balance more than K6 200	37.5%

WITHHOLDING TAX

Individuals and businesses receiving consultancy services are expected by law, under Section 82 A of the Income Tax Act, to withhold tax (WHT) at 15% on dividends, interest, royalties and management fees. WHT is not a final tax, and the amount paid is considered a tax prepayment. Final tax is arrived at after assessment of the end-of-year tax return submitted by the individual or business. Zambia has double taxation relief agreements with partner countries as indicated in Table 17.

TABLE 17 Double taxation treaties rates

SECTOR CATEGORY	CORPORATE INCOME TAX RATE			CONSULTANCY FEES
	DIVIDENDS	INTEREST	ROYALTIES	
Canada	15%	15%	15%	0%
China	5%	10%	5%	0%
Germany	5% or 15%	10%	10%	0%
India	5% or 15%	10%	10%	10%
Ireland	7,50%	10%	10%	0%
Italy	5% or 15%	10%	10%	0%
Japan	0%	10%	10%	0%
Mauritius	5% or 15%	10%	5%	0%
Netherlands	5% or 15%	10%	10%	0%
Seychelles	5% or 10%	5%	10%	0%
South Africa	15%	15%	20%	20%
Sweden	5% or 15%	10%	10%	0%
United Kingdom	5% or 15%	10%	5%	0%
This is a selection of countries most commonly transacted with and is not a comprehensive list. Rates available are not automatic and have to be applied for				

Source: BDO Zambia, 2019



VALUE-ADDED TAX

Value-added tax (VAT) is levied at 16%. VAT applies to both goods and services of domestic production and those that are imported. VAT is levied on the cost, insurance and freight (CIF) value plus customs tariff. Registration for VAT purposes is mandatory for every dealer in or supplier of standard-rated and zero-rated goods and services whose taxable turnover exceeds K200 million per annum, as defined in the VAT Act No. 4 of 1995 (which replaced sales tax). Voluntary registration is acceptable for dealers whose turnover falls below the stipulated minimum turnover. It has also been made mandatory to capture and electronically transmit to ZRA the taxpayer personal identification number (TPIN) and the name of both the buyer and seller of goods and services in all business transactions.

PROPERTY TRANSFER TAX

Pursuant to the Property Transfer Tax Act, Cap. 340, a 10% property transfer tax of the realized value of the property is charged.

OTHER TAXES

Customs duty, excise duty and export duty are some of the other main taxes payable in Zambia. Customs duty is a tax levied on all goods entering the country. Customs duty rates range from 0%–5% for raw materials and capital goods, 5%–15% for intermediate goods, and 15%–25% for finished products. Textile products are treated as intermediate goods, while apparel is considered as finished products. Goods imports from COMESA partners are duty free on a reciprocal basis. Excise duty, on the other

hand, is levied on selected goods of a luxurious nature. These include alcoholic beverages, tobacco, selected motor vehicles and cosmetics, etc. Zambia also charges export duty on a few selected items. These include scrap metal at a rate of 25%, copper concentrates at 15% and cottonseed at 15%.

ZDA ONE-STOP SHOPS

As part of its business facilitation and investments promotion, ZDA has established one-stop shops in Lusaka and selected provincial headquarters. Through these one-stop shops, ZDA provides local and foreign investors with fast and efficient business registration services, licences and all key investment and business permits, thus reducing the cost of doing business. This has been achieved through bringing together government agencies involved in offering registration services and issuance of licences and permits in one location. Institutions hosted by a one-stop shop include the Patents and Companies Registration Agency (PACRA), the Zambia Revenue Authority (ZRA), the National Pension Scheme Authority (NAPSA), the Citizens Economic Empowerment Commission (CEEC), the Department of Immigration, and the Zambia Public Procurement Authority (ZPPA). Other stakeholders are licensing and regulatory bodies that provide optional registrations for businesses or that issue operational permits and licences. These include district councils, the Zambia Environmental Management Agency (ZEMA), the Zambia Wildlife Authority (ZAWA) and the Water Resources Management Authority (WARMA).



LEGAL REQUIREMENTS WHEN INVESTING IN ZAMBIA

Below are legal requirements and obligations that prospecting investors need to comply with when investing in Zambia.

Company incorporation	A foreign investor intending to establish a business in Zambia is required to set up a branch or incorporate a company. Unlike a branch, an independent company or a subsidiary will be a separate legal entity from its holding company. There are various types of companies that can be formed in Zambia, including a private company limited by shares, a company limited by guarantee and an unlimited company. Unlimited companies are, however, rarely formed. In addition to a private company, one can also form a public company (a company satisfying Section 14 of the Companies Act).
Company regulation	The Companies Act, Cap 388 of the Laws of Zambia regulates all companies in Zambia. A company incorporated outside Zambia intending to establish a business in Zambia must be registered as a foreign company pursuant to the Companies Act, Cap 388. The Companies Act provides for company incorporation, share capital provisions, shareholders' rights, management and administration, accounts, directors' duties, winding up and regulation of foreign companies based in Zambia.
Business regulation	The Business Regulatory Act, No. 3 of 2014 provides for the business licensing system and licensing principles that all regulatory regimes must adhere to, and for regulatory service centres at which all regulators are to have a presence or an affiliation with, for all applications for licences, permits, certificates and authorizations to be processed.
Tax registration	Limited companies are required to register with the Zambia Revenue Authority (ZRA) for income tax purposes and obtain a taxpayer personal identification number (TPIN). Limited companies are also required to apply for VAT registration if they deal in taxable goods and services and their taxable turnover exceeds the registration threshold of ZK800,000 (circa \$60,000+) per annum. This application can only be done following the TPIN registration.
Trading and manufacturing	A company undertaking any trade or manufacturing is required to obtain a licence under the Trades Licensing Act. Section 18 A of the Trades Licensing Act requires that licence holders under the Act are to submit to the Licensing Authority details such as the physical address of the place where the licence holder conducts his business or trade. The information obtained by the Licensing Authority is forwarded to the Zambia Revenue Authority at the time when the licence expires or is renewed.
Environmental impact assessments	Any person intending to implement any project is required, under the Environmental Protect Act, to prepare and submit a project brief to the Zambia Environmental Management Agency (ZEMA) for approval. ZEMA may, on receipt of a project brief, direct that an environmental impact statement be prepared by the developer if ZEMA determines that the project is likely to have an adverse impact on the environment. Such a statement would be required even if the developer is undertaking any project as part of a previously approved project.
Taxes payable	<p>Income tax: Pursuant to the provisions of the Income Tax Act, Cap. 323, businesses are subject to corporate income tax on trading profits and other taxable income such as interest, royalties and rental income. Corporate income tax rates are currently 35%. A one-year 2% discount is granted to newly listed companies on the Lusaka Stock Exchange (LuSE), and corporate tax on agricultural companies is 10%. Personal income tax is paid by people resident or deemed to be resident in Zambia. Income tax is also charged directly on profits made by corporate bodies such as limited liability companies and trusts.</p> <p>Withholding tax: A 15% withholding tax is payable on dividends, interest, royalties and management fees.</p> <p>Value-added tax (VAT): This is levied at 16%. Some specified goods and services are zero-rated or exempt. VAT applies to both goods and services of domestic production and those that are imported. VAT is levied on the CIF value plus customs tariff.</p>

	Property Transfer Tax: pursuant to the Property Transfer Tax Act, Cap. 340, a 10% property transfer tax is charged of the realized value of the property.
Double taxation agreements	Zambia has double taxation relief agreements with Canada, the Kingdom of Denmark, the Republic of Finland, the French Republic (France), the Federal Republic of Germany, the Kingdom of the Netherlands, Ireland, the Republic of Italy, Japan, Kenya, Mauritius, Romania, South Africa, the Kingdom of Sweden, Tanzania, Uganda, the United Kingdom of Great Britain and Northern Ireland, the Kingdom of Norway, Zimbabwe and the Republic of India.
Immigration	Any foreign investor who invests a minimum of \$250,000 or its equivalent and employs a minimum of 200 employees (of certain technical or managerial levels) is entitled to a self-employment permit or resident permit. The ZDA further assists the qualifying investor to obtain work permits for up to five expatriate employers. An entry permit holder can apply to be granted a dependant's pass for each of his dependants.
Land ownership	Non-Zambians can acquire land if they are permanent residents in Zambia, are investors within the meaning of the ZDA Act or any other law permitting investment in Zambia, and, in exceptional cases, by presidential consent in writing, if a person registers a company under the Companies Act, and if the person is granted concession or right – under the National Parks and Wildlife Act.
Land acquisition/ purchase	There are only two types of land tenure in Zambia: leasehold (99 years; renewable for a further 99 years) and customary tenure. Customary land can be converted into leasehold. Under the 1995 Act, land now has value and can be sold even without improvement on the land. Before land can be bought or sold, state consent must be obtained from the commissioner. If consent is not granted within 45 days of filing the application, the application is deemed granted. If consent is refused, the reasons for refusal must be furnished to the applicant within 30 days. Acquisition of land in an area designated as state land will require consent of the relevant district council. Land that does not fall within the jurisdiction of any council can be alienated upon direct application to the Commissioner of Lands. He will then make a formal offer to the applicant, which will contain similar conditions to those contained in the offer made for an application of land situated in the customary area.
Conversion and transfer policies	There is no exchange control in Zambia for anyone doing business as either a resident or non-resident. Investors are free to repatriate capital investments as well as dividends, management fees, interest, profit, technical fees and royalties. Foreign nationals can also transfer and remit wages earned in Zambia without difficulty. Additionally, there are no restrictions on non-cash transactions. Over-the-counter cash conversion of the local currency into foreign currency is restricted to a \$5,000 maximum per transaction per day for account holders and \$1,000 for non-account holders.
Construction	Prior to constructing any infrastructure, the developer needs to engage an architect to come up with architectural designs/drawings, which are submitted to the local council when applying for architectural/structural plans approval and construction permit application. Once council approvals are obtained, the developer is also required to register the construction with the National Council for Construction.



HOW TO SET UP AND INVEST IN ZAMBIA

Below is a summary of key steps, formalities, requirements and procedures an investor needs to complete to invest in Zambia.

<p>Step 1: Consultations with ZDA</p>	<ul style="list-style-type: none"> ■ As a first step, an investor needs to contact the ZDA investments promotions division as the first point of call to familiarize self; ■ Refresh themselves with business and tax registration, information on all other formalities and licensing requirements, and investment registration. ■ Get contact details of key industry stakeholders and make appointments for consultation meetings. ■ Get more information on identified potential areas for intended investment. ■ Assess and re-establish all critical aspects such as land, water, power, labour availability, access and adequacy in specific potential areas.
<p>Step 2: Business registration</p>	<ul style="list-style-type: none"> ■ Business registration starts with the business name clearance done by submitting an application consisting of three proposed names of the company to be incorporated, copy of passport or any other form of identity for one of the directors or shareholders of the proposed company, physical (local or international) address of directors and shareholders, and the proposed nature or sector of business to PACRA. The process costs ZK83 and takes a few minutes, and can also be done using the PACRA online portal at https://www.pacra.org.zm. ■ Business registration is done at PACRA. To register a business, one needs to complete and submit the acceptance letter for name clearance, application for incorporation (Form 2), declaration of consent to act as a director or secretary (Form 5), declaration of compliance (Form 11) and articles of association. ■ Legal assistance on business registration could be obtained from corporate law firms. If not sure, the investors' embassy in Zambia, the ZDA or the Law Association of Zambia can assist with lists of registered corporate law firms operating in Zambia. ■ Business registration process takes 1–2 working days if all above-stated requirements are met. ■ Registration fee for a local company is ZK705 (USD equivalent) and ZK4,166 (USD equivalent) for a foreign company.
<p>Step 3: Tax registration</p>	<ul style="list-style-type: none"> ■ Once the investor has registered his or her business, he or she also needs to register the company with the Zambia Revenue Authority for tax. ■ To register for tax, one needs to submit the certificate of incorporation, certificate of share capital, articles of association of the company, a map (sketch) of business location, tenancy agreement for the business premises, business bank account statement, and business plan or projected cash flow for one year. ■ Tax registration can be done online at https://www.zra.org.zm. ■ The same corporate lawyers used for business registration can assist the investor to register and get a taxpayer's identification number (TPIN) and VAT certificate. ■ TPIN registration precedes all other mandatory tax registration. A TPIN certificate is vital to enable the company to apply for other taxes and registrations.
<p>Step 4: Bank accounts</p>	<ul style="list-style-type: none"> ■ There a number of local and international banks in Zambia (see Annex II) that an investor can choose to open business bank accounts with. ■ An application to open a business account must include a TPIN certificate, a certificate of incorporation, a certificate of share capital, articles of association, and recommendations from other companies with accounts in the same bank. ■ ZDA provides support services to help a potential investor open business accounts with banks in Zambia.

<p>Step 5: Investment premises acquisition</p>	<ul style="list-style-type: none"> ■ Identification and acquisition of land/premises for the intended investment is another critical activity the investor needs to undertake. ■ Depending on the exact type of investment, land can be acquired through: <ul style="list-style-type: none"> ■ Purchasing private land on title; ■ Application for leased land in industrial zones, a farming block or municipal authorities, etc.; ■ Acquisition and conversion of traditional land, and; ■ Purchasing an institutional land. ■ Advise on how to legally acquire the needed land for the intended investment can be obtained from the ZDA.
<p>Step 6: Investment registration</p>	<ul style="list-style-type: none"> ■ Every investor planning to set up a business in Zambia needs to register for their investment certificate with the ZDA in order to qualify for available incentives. ■ To apply for the investment certificate of registration, one must submit the completed formal application form from the ZDA, certified copy of certificate of incorporation or registration, certified copy of certificate of share capital, certified copy of a certificate of minimum share capital, certified copy of an official list of shareholders or directors, business plan or feasibility study, and verifiable evidence of project finance: local or foreign bank statements in the name of shareholders or a financier, invoices for purchase of machinery and equipment for the proposed investment or a letter from the company indicating the proposed financing source, and brief resumes for shareholders or directors. ■ Once the investor completes the application forms, they are submitted for review and possible approval and issuance of a certificate of registration, which enables the investor to apply for available investment incentives.
<p>Step 7: Application for investment incentives</p>	<ul style="list-style-type: none"> ■ Once an investor acquires his or her investment licence or certificate of registration with the ZDA: ■ The investor can apply for all available and applicable incentives, which may include: <ul style="list-style-type: none"> ■ Customs duty exemptions; ■ Corporate tax incentives; and ■ Other investment incentives. ■ The investment should have a minimum of \$250,000 in order to qualify for basic non- tax incentives, and a minimum of \$500,000 in order to qualify for special tax incentives for priority sectors located in a multi-facility economic zone (MFEZ), industrial park or a rural area.
<p>Step 8: Application for immigration permits</p>	<ul style="list-style-type: none"> ■ Every investor wishing to live and do business in Zambia is required to comply with the Immigration Act and apply for work permits and visas. ■ Government has introduced the online application and processing of visas and permits. When applying for visas and permits, one is required to submit a passport-sized photo, copy of applicant's passport, cover letter on company letterhead with full address and contact numbers addressed to the Director General of Immigration, invitation from host company, and certified copy of certificate of incorporation for host company. ■ An investor or shareholder in a company is expected to apply for an investor's permit, which allows an investor to move freely in and out of the country and to import personal items from one's country of origin, duty free. ■ An investor who wishes to apply for an investor's permit must show evidence of having transferred not less than \$250,000 to either a Zambian bank account or in the form of equipment and machinery by attaching customs form CE20 from the ZRA or bank transfer documents. Requirements include: cover letter addressed to the Director General of Immigration, duly completed and signed application for an investor's permit (Form 27), certificate of incorporation, certificate of share capital, certificate of minimum capital, investment licence from the ZDA, list of directors, proof of personal investment (bank statement, money transfer, ZRA Form CE 20 and bill of lading from the ZRA), certified copy of valid passport (bio data and last endorsement stamp for the Republic of Zambia), and two recent passport-sized photographs. ■ An investor is also required to apply for employment permits for all their expatriate staff. ■ Applicants for employment permits are required to secure and apply for their permits while outside the country (for more information, visit www.zambiaimmigration.gov.zm).

<p>Step 9:</p> <p>Application for other licences</p>	<ul style="list-style-type: none"> <p>■ Environmental impact assessment:</p> <p>All investment projects require either a project brief or a full environmental impact assessment (EIA) that is done by the Environmental Management Authority (ZEMA).</p> <p>■ Manufacturing licences:</p> <p>An investor in the manufacturing sector is required to apply for and obtain a manufacturer’s licence from the local municipality in which the investor will be operating.</p> <p>■ Construction permit:</p> <p>All infrastructure development requires the developer to apply for architectural and structural drawings approval and for a construction permit with the local council prior to commencing the construction. To do this, the developer/investor needs to:</p> <ul style="list-style-type: none"> ■ Contract an architect to draw the architectural drawings; ■ The architect registers with the council planning department and uploads the architectural drawings, a disclaimer form in case there is excess coverage, a land survey plan and land rates clearance receipt into the The Town and Country Planning Registry; ■ Collect a construction payment invoice from the council and pay the construction permit application fees. The fee is not standard and depends on the size and type of building being erected. The banker’s cheque or cash for the total fee should be addressed and paid to the council accounts office; ■ It takes approximately 30 days for the drawings to be signed, after which the architect can collect the authenticated drawings and approval; ■ Using the approved architectural drawings, the structural engineer will then work together with the architect in order to upload the structural plans into the Lusaka City Council registry; ■ Once approved, the architect or structural engineer will obtain the authenticated structural plans and approved certificate of structural designs; ■ Once the construction permit is obtained, the developer needs to register the project with the National Council for Construction.
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Annexes



ANNEXES

Annex I: List of investment promotion and facilitating organizations

SCOPE/AREA	ORGANIZATION	CONTACT AND ADDRESS
Investment promotion	Zambia Development Agency (ZDA)	The Director General ZDA, Privatisation House, Nasser Road, P.O. Box 30819, Lusaka, Zambia Phone: +260 211 220177/223859 E-mail: pr@zda.org.zm
Business registration	Patents and Companies Registration Agency (PACRA)	Chief Registrar PACRA head office Plot No. 8471, PACRA House, Haile Selassie Avenue, Longacres P.O. Box 32020, Lusaka, Zambia Phone: (+260) 211 255151/255127 Website: https://www.pacra.org.zm
Taxation	Zambia Revenue Authority (ZRA)	The Commissioner General Kalambo Road, P.O. Box 35710, Lusaka–Zambia Switchboard: +260 211 380000 Call centre: +260 211 381111/5972 (all networks), +260 971281111, +260 962251111 E-mail: advice@zra.org.zm
Immigration – visas and permits	Immigration Department	The Director General Department of Immigration, Headquarters Kent Building, Haile Selassie Road P.O. Box 50300, Lusaka, Zambia Phone: +260 211 255282 (Public Relations Office) +260 211 252622 (Customer Service Centre) E-mail: pro@zambiaimmigration.gov.zm, zambiavisa@zambiaimmigration.gov.zm
Environmental impact assessments – permits	Zambia Environmental Management Agency (ZEMA)	The Director General ZEMA head office P.O. Box 35131 Corner Suez & Church Roads Plot # 6975, Ridgeway, Lusaka, Zambia Phone: 260-1-254130/1 Fax: 260-1-254164/254023 E-mail: info@zema.org.zm

SCOPE/AREA	ORGANIZATION	CONTACT AND ADDRESS
Water development and use	Water Resources Management Authority (WARMA)	Director General Plot No. 4186, Addis Ababa Drive P.O. Box 51059, Lusaka, ZAMBIA Phone: +260 211 251 934/ 0974 606 743
State-owned enterprises and public investments	Industrial Development Corporation (Zambia) Limited (IDC)	Chief Executive Officer 61 Independence Avenue, Prospect Hill P.O. Box 37232, Lusaka, Zambia E-mail: info@idc.co.zm Phone: +260 211 427000, +260 967 773007
Standards	Zambia Bureau of Standards (ZABS)	Executive Director Lechwe House Freedom Way South End P.O. Box 50259, Lusaka Zambia E-mail: info@zabs.org.zm
Energy regulation	Energy Regulation Board (ERB)	Executive Director Consumer and Public Relations Energy Regulation Board Plot No. 9330, Off Alick Nkhata Road P.O. Box 37631 Lusaka, Zambia Phone: 260-211-258844-49 Fax: 260-211-258852 E-mail: Public Affairs (erb@erb.org.zm)



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Annex II: List of leading banks

<p>Zambia National Commercial Bank PLC Head Office P.O. Box 33611 Cairo Road Lusaka, Zambia</p> <p>E-mail: customerservice@zanaco.co.zm</p>	<p>Barclays Bank Zambia PLC Stand numbers 4643 and 4644 Elunda Office Park Addis Ababa Round About, Lusaka , Zambia</p> <p>Toll free: 5950 Phone: +260 (211) 366100, +260 (211) 366225</p> <p>E-mail: customerservice.zambia@barclays.com</p>
<p>Stanbic Bank Zambia Limited Stanbic House, Plot 2375, Addis Ababa Drive, Long Acres P.O. Box 31955, Lusaka</p> <p>Phone: +260971288200</p>	<p>Standard Chartered Bank Cairo Road, Lusaka Zambia</p> <p>Phone: +260 978 751500 / +260 966 751500</p> <p>E-mail: customer.first@sc.com</p>
<p>Citi Bank (Z) Limited Elunda 3 Stand No 4646 Addis Ababa Drive, Lusaka, Zambia</p> <p>Phone: 021 122 9025, 021 144 4400</p>	<p>Bank of China (Zambia) Street/postal address: Limitedamandra House, Ben Bella Road, Lusaka Zambia</p> <p>Phone: (260211) 235349/222549, +260 21 123 8696 / +260 21 123 8686 / +260 21 122 3084</p> <p>Fax: (260211) 235350</p>
<p>INDO ZAMBIA Plot 6907, Cairo Road P.O. Box 35411 Lusaka, Zambia</p> <p>Phone: +260 211 224 653</p>	<p>United Bank for Africa Zambia Ltd Acacia Park Stand 22768, corner Great East/Thabo Mbeki Road P O Box 36789, Lusaka–Zambia. 10101</p> <p>Phone: +260 211 389501, +260 211 389502, +260 211 389503</p>
<p>Bank of China (Zambia) Street/postal address: Limitedamandra House Ben Bella Road, Lusaka</p> <p>Phone: (260211) 235349/222549, +260 21 123 8696 / +260 21 123 8686 / +260 21 122 3084</p> <p>Fax: (260211) 235350</p>	<p>First National Bank – FNB Zambia Head Office Corner Great East Road and Thabo Lusaka, Zambia Corporate and Investment Banking</p> <p>Phone: +260 211 366 800, +260 211 366 362 menu option 1, then 4</p> <p>E-mail: fnb@fnbzambia.co.zm</p>



