



# Investing in Zambia

*Ideas for today and tomorrow*

# Vision



As country Zambia is guided by its National vision 2030 in which it strives to be a middle income private sector led economy.

The vision 2030 is executed in 5 year development plans. The current plan is the 7<sup>th</sup> National Development plan (2017-2021)

The key sectors in the current development plan are Agriculture, Tourism, Manufacturing and Construction

# Economic Situation/ Policy

Single digit inflation (6-8%)

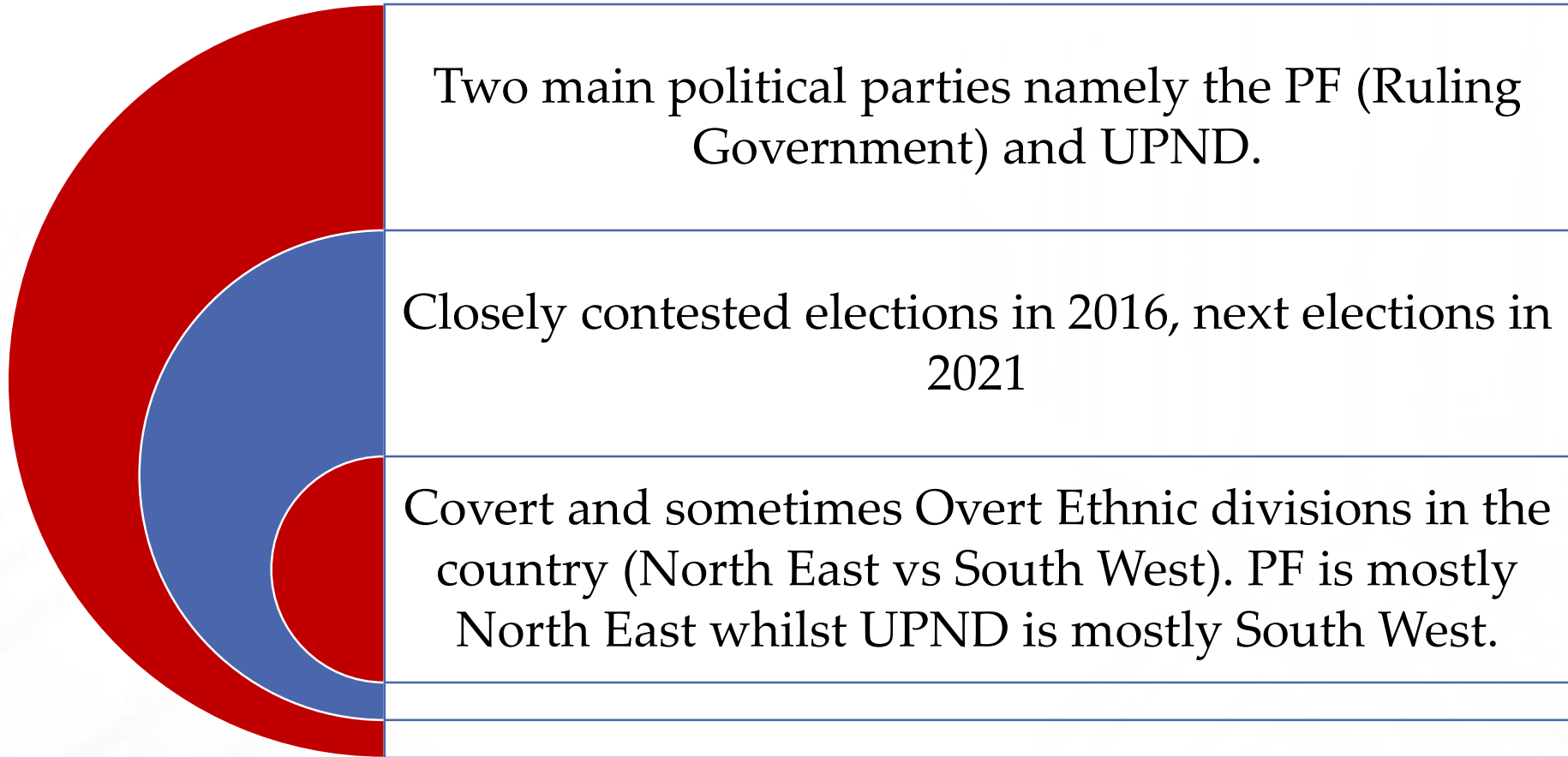
Growth rate of 4.1% (2017) and estimated at above 5 for the near future

Relatively High domestic interest rates

Relatively stable exchange rate susceptible to commodity shocks in copper

Courts of Law are independent and uphold contracts

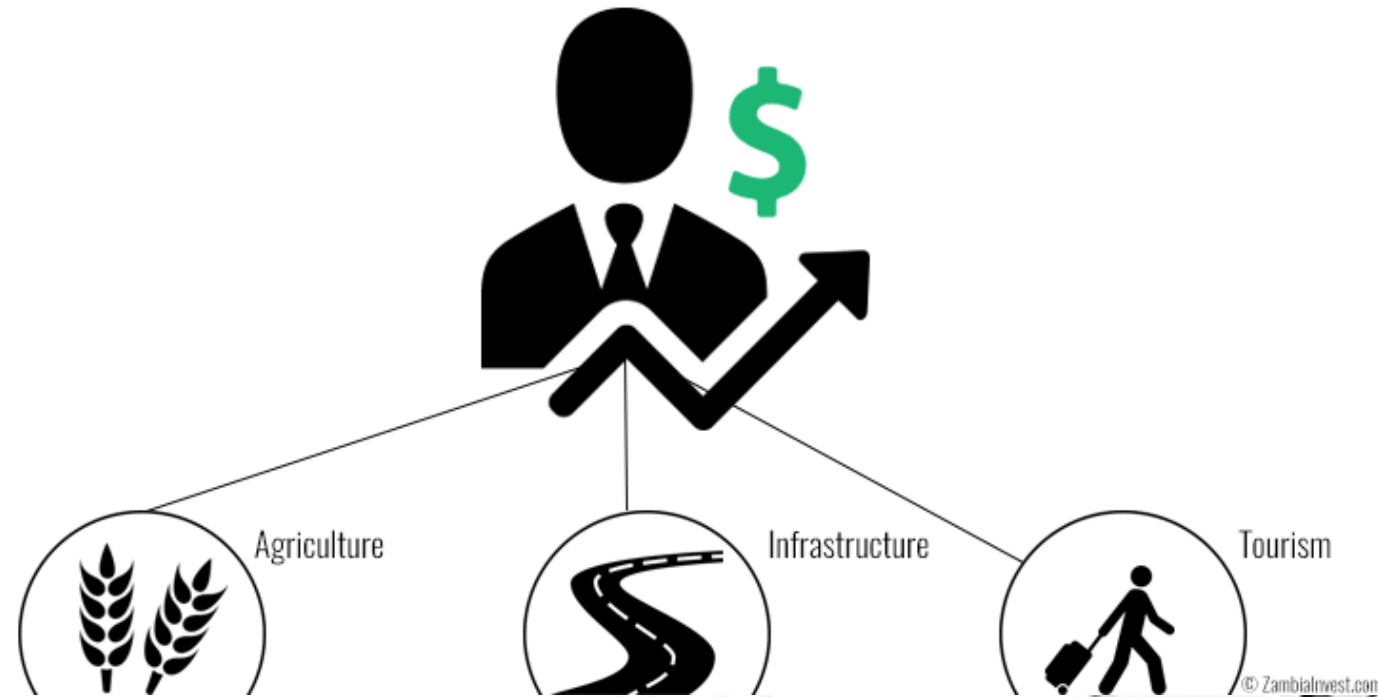
# Socio-Political Situation



# Sector: Agriculture

- Zambia is endowed with a large land resource base of 42 million hectares of which only 1.5 million hectares is cultivated every year.
- There are abundant water resources for irrigation and the country has 40 percent of the water in Central and Southern Africa.
- The opportunities for agriculture investment in Zambia are vast.

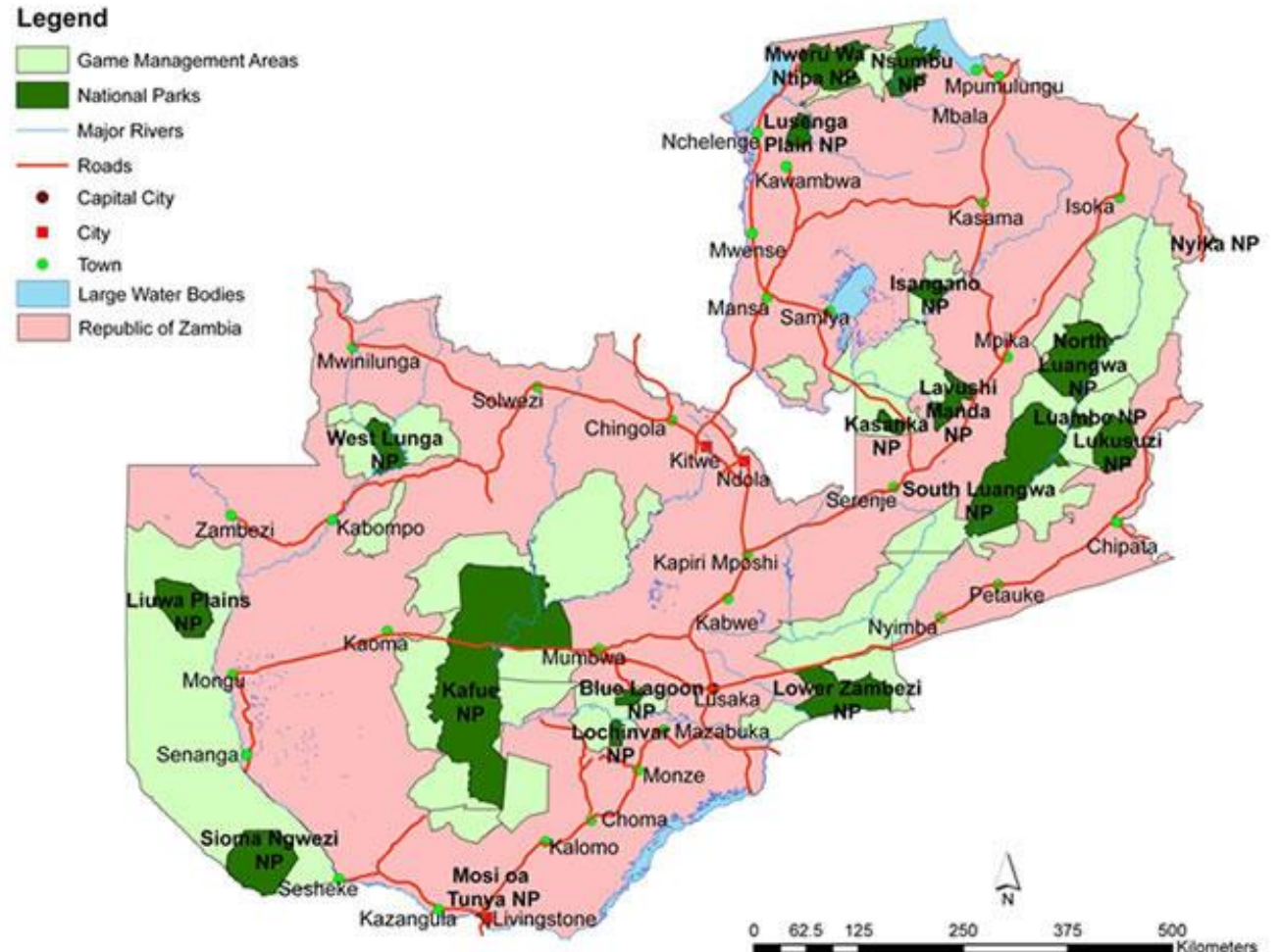
## Zambia Investment Opportunities





# Sector: Tourism

- Zambia's tourism sector is currently one of the country's growth potential areas.
- Zambia's tourism potential draws from its natural environment, from which abound a variety of tourism attractions
- Furthermore the country boasts of vast water falls, lakes and rivers, one of the largest concentrations of bird species in the world, a rich cultural heritage and several monuments spread across the country.



# Sector: Manufacturing

Growth in the sector is largely driven by opportunities in the agro processing (food and beverages), textiles and leather subsectors. Opportunities in Zambia include:

- Peanut butter production, Cashew nut processing
- Edible oil, Animal or Stock feed production
- Cassava Processing (food and other industrial products)
- Fruit Canning and Juice Extraction
- Meat, dairy, leather and leather products
- Fish canning and fish meal production
- Cotton Spinning and Textiles
- Bio-diesel production and ethanol production

# Sector: Manufacturing - Chemicals

- Zambia contains many agricultural minerals. Peat and limestone deposits are available for the manufacture soil conditioners while phosphates are also available for the production of fertilizers.
- Zambia currently imports about \$200 million worth of fertilizers annually, most of this is imported by the government in order to subsidize the small scale farmers in rural areas.
- Major investment opportunities exist in the production of fertilizers due to the presence of feasible sources of P fertilizers in the following areas
  - a) the Chilembwe deposits near Petauke district estimated at 1.6 million tonnes,
  - b) Mumbwa deposits at 500,000 tonnes,
  - c) Nkombwe (near Isoka district) at 500 million tonnes; and
  - d) Kaluwe (near Luangwa) estimated at 207 million tonnes.



# Sector: Manufacturing - Pharmaceuticals

- Zambia and her surrounding neighbors have relatively high burdens of diseases that require high consumption of pharmaceutical products. Malaria, HIV/AIDS and other ailments have constantly triggered demand on these products, which are mostly sourced outside Africa.
- There are a limited number of manufacturing companies and pharmaceutical trading companies in the country. Most of these manufacturing companies are engaged in the manufacturing of basic pharmaceutical formulations (medicines).
- The majority of essential health drugs are still being imported. Therefore there is scope for new investments in the manufacture of pharmaceutical products such as moringa and atemisia for the production of coatem, in the country.
- There are amazing opportunities for Bio Tech and Health Tech companies

# Investment Incentives In The Manufacturing Sector

- Investors who invest not less than US\$ 500,000 in the Multi Facility Economic Zone, an
- Industrial Park, a Priority Sector and invest in a Rural Enterprise under the ZDA Act, are entitled
- to the following fiscal incentives:
  - (i) Zero percent tax rate on dividends for 5 years from first year of commencement of operations.
  - (ii) Zero percent tax on profits for 5 years from the first year of operation- (Qualifying projects should be in the Manufacturing Sector in an Industrial Park, MFEZ or Rural Area).
  - (iii) Zero percent import duty rate on capital equipment and machinery for five years

# Recommendation

- ZACCI is ready and willing to help investors and business entities operate in Zambia.
- Contact us so we can help you navigate the socio and political landscape to get the best possible investment returns for your portfolio.
- Whether you are in manufacturing, Agriculture, tourism , Zambia is ideally located as a land linked country (8 neighbors) and its strategic position allows for logistic synergies within the heart of Africa.
- To fully succeed in Zambia you need ZACCI to advocate towards Government on your behalf through effective lobbying so your business environment is made as conducive as possible. This is the finer art that is required for success. We will help you prosper in Zambia.

# Contact

Physical Address: No. A10, Financial Services Lane, Showgrounds

P.O Box 30844, Lusaka, Zambia

Phone: +260 211 252483 / Mobile: +260 973833383

Email: [research-2@zacci.co.zm](mailto:research-2@zacci.co.zm) Website: [www.zambiachamber.org](http://www.zambiachamber.org)

