

Investment Opportunities in ZAMBIA

***ZAMBIA – BULGARIA INVESTMENT
FORUM***

SOFIA, BULGARIA

31 10 16

Presentation Outline



Location of Zambia



Economy at a glance



*Priority Sectors and
Investment Opportunities*



Why Invest in Zambia

Strategically Located

By Road



By Air



By Rail



Nairobi – 2hrs 46mins

Harare – 30mins

Johannesburg – 1hr 45mins

Addis Ababa – 4hrs 9mins

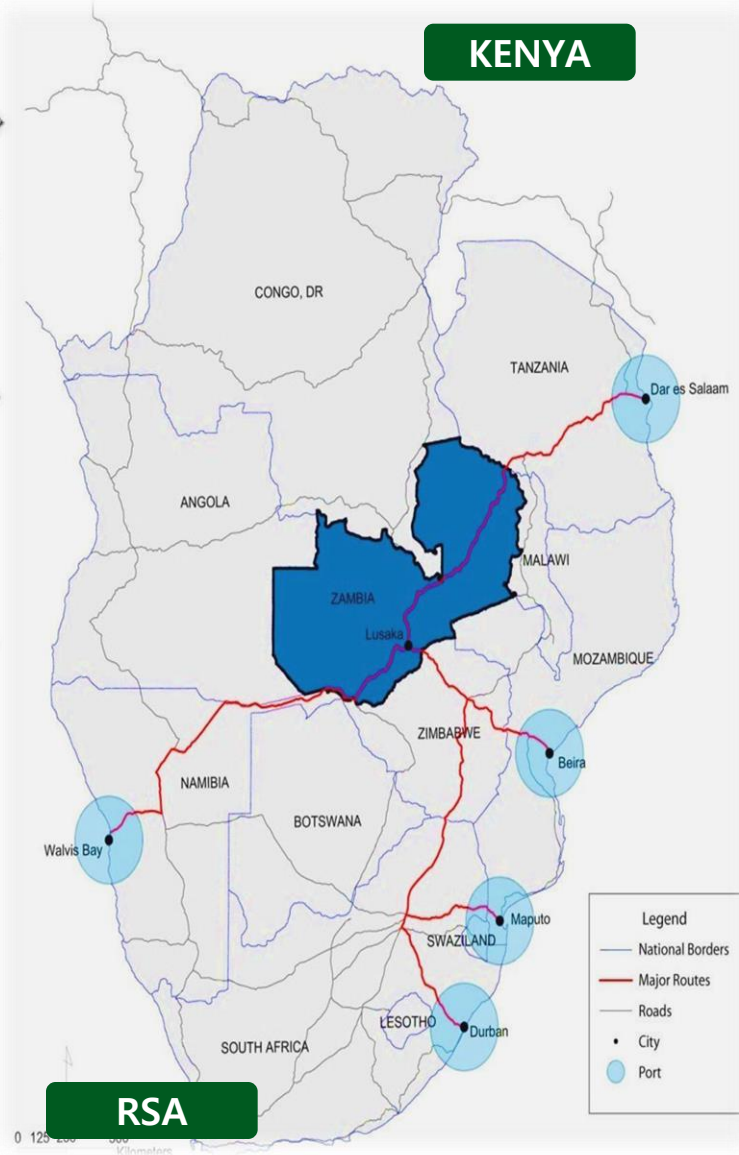
Dar-es-Salaam – 2hrs 4mins

Windhoek – 2hrs

Lubumbashi – 1hr



KENYA



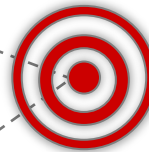
At the Centre of Two Regional Markets

Untapped growing regional market

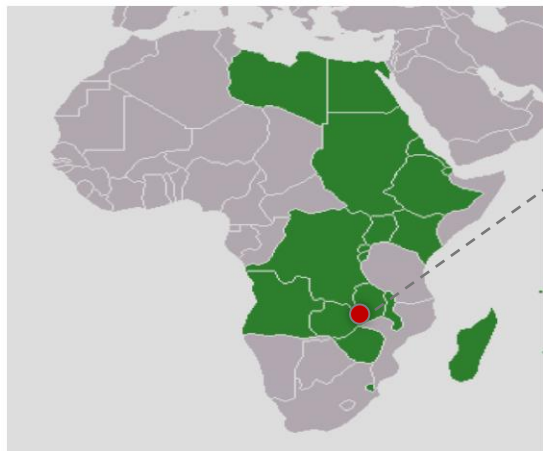


SADC - 2014

Approx. 301 million people
Real GDP US \$ 529 billion



Zambia



COMESA – 2014

Approx. 482 million people
Real GDP US \$ 353.8 billion

Other Market Opportunities include;

- EU through EBA
- USA through AGOA initiative
- Canadian, Chinese & Japanese Market Access Initiatives



Economy at a Glance



Economy By Numbers

Area: 752,614km² (39th)
Population: 15.02 million

Foreign Exchange Reserves
• \$2.3 Billion

ECONOMIC STATISTICS

GDP : \$ 64.2 billion
Per Capita: \$1, 802
GDP Growth Rate 3%

Inflation (CPI): 18.9%



Credit Rating (2015)

Moody's B1

Fitch B

S&P B

Stable Political & Social Environment

Global Competitiveness Index
2014–2015 of **144** Countries



96th – World
11th – Africa

2015 Mo Ibrahim's Index of
African Governance **52** Countries



12th

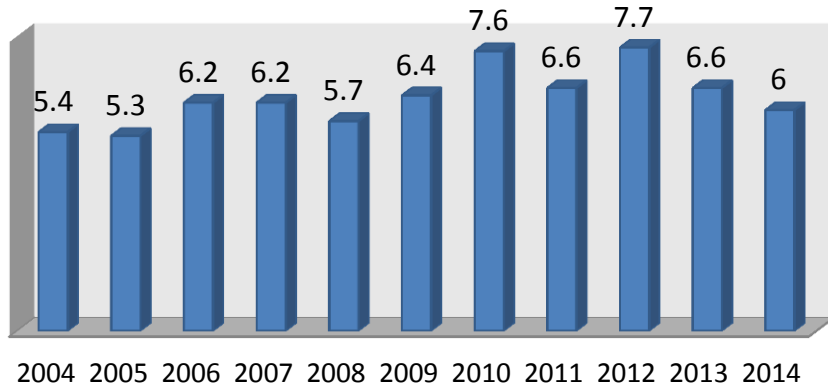
2015 World Bank's Ease of Doing
Business Out of **189** Countries



111th – World
11th – Africa

Economic Performance

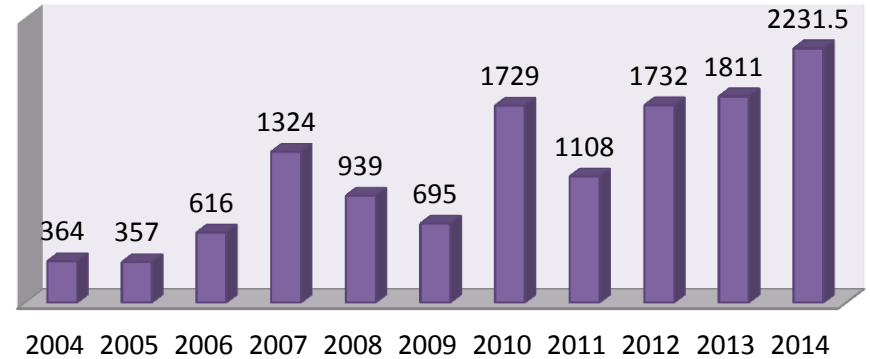
Economic Growth 2004 - 2014



Source: CSO and MoFNP

At 6% GDP growth rate in 2014, Zambia was the seventh fastest growing economy in Sub Saharan Africa and tenth in the world.

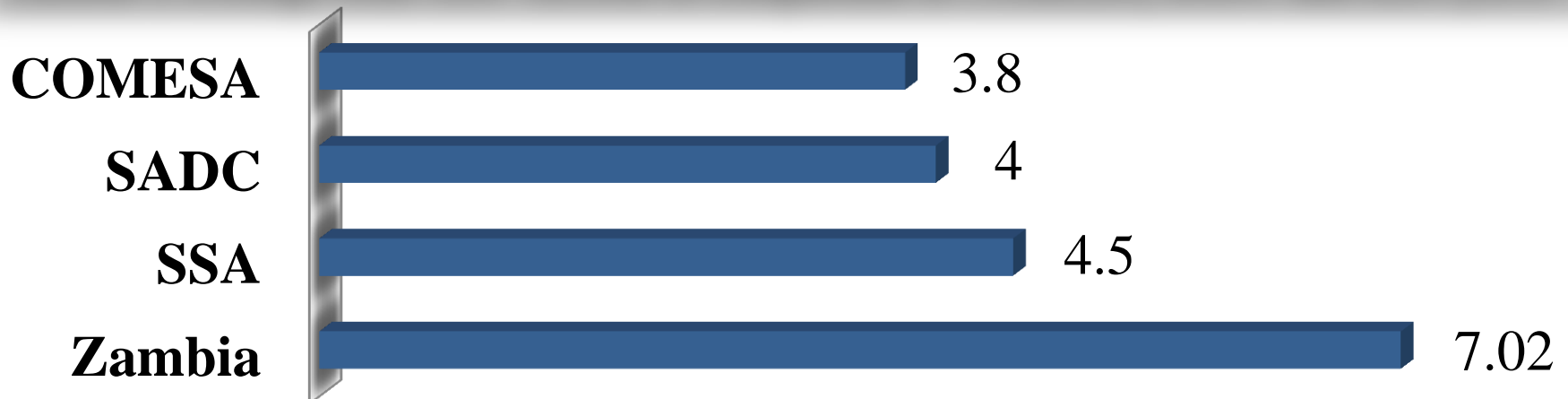
Trend in FDI Inflow (Million US \$) 2004 – 2014



Source: UNCTAD's World Investment Report 2014, and MoFNP

UNCTAD: In 2013, Zambia had the highest FDI inflow among the 16 landlocked countries in Africa.

Zambia's Average Real GDP Growth in comparison to COMESA, SADC and SSA (2010 – 14)



Source: World Bank's 2015 world development indicators

A wide-angle photograph of a lush green soybean field stretching to the horizon under a heavy, overcast sky. The plants are densely packed and show signs of being in the early stages of growth. A black banner with white text is overlaid across the upper portion of the image.

Priority Sectors and Investment Opportunities

Tourism

Manufacturing

Agriculture

**Priority
Sectors**

Infrastructure

Energy



Agricultural Sector

- Total land area: 752, 614 km² , 58% arable but only 14% is currently being utilized
- Total irrigation potential: 2.7 million hectares; only 6% is currently being utilized
- Sector includes livestock, crops, fisheries and forestry.
- Investment opportunities exist in;
 1. **Farm blocks:** (100,000ha) Luena and Lusiwishi
 2. **Grain storage facility:** Development of a 48,000mt steel silo storage facility
 3. **Timber plantation:** commercial exotic plantation of 50,000Ha of land
 4. **Tea Plantation**



Agro-processing

- ❑ Vast investment potential for food processing in the country exist, covering both large and small scale industries in each of the 10 Provinces.
- ❑ Agro-processing opportunities exist in the following areas:
 - **Eastern Province – Maize, Cotton, Beans and Groundnuts processing**
 - **Luapula Province - Aquaculture, Cassava and Maize processing**
 - **Southern Province - Beef, Dairy and Meat Processing**
 - **North Western Province – Honey production, Agro forestry, Coffee,**
 - **Muchinga Province – Pineapple canning and maize (Cereals and mill) processing**
 - **Western Province – Tobacco, Rice and Cashew Nuts processing**
 - **Central Province – Wheat, Soya, Sunflower and Maize**



Energy Sector

- ❑ Energy sources include: electricity, petroleum, coal, biomass, and renewable energy.
- ❑ Electricity production potential: 6000MW, but only generates 2300MW.
- ❑ Demand for electricity has exceeded 2000MW domestically and 80,000MW regionally

- ❑ Investment opportunities:
 1. Solar Energy Projects
 2. Geo-thermal plant
 3. Biofuel Energy Projects
 4. Hydro Power generation



Manufacturing

Zambia's manufacturing sector has considerable investment potential as the domestic economy is relatively well endowed with resource factors such as; *raw materials, skilled labor force, abundant land, water and rich minerals.*

Opportunities exist in the manufacture of the following;

- **Textile and Clothing manufacture**
- **Mineral processing (value addition to copper and gemstones)**
- **Chemical products**
- **Leather products**
- **Pharmaceutical products**
- **Packaging materials**



Infrastructure Sector

- ❑ A land linked country surrounded by 8 countries thus access to sea ports and international markets is through roads, rail, and air
- ❑ Government invites the private sector to finance infrastructure projects through the PPP
- ❑ Investment opportunities:
 1. **Roads:** Link 8000 km projects
 2. **Real Estate:** Government Office accommodation, Redevelopment of the Zambia International Trade Fair Grounds, Mukuba Hotel, Twin –Palm Housing project, and Golf Estate.
 3. **Industrial structure:** MFEZs and Industrial parks
 4. **Railway Projects:** Lusaka Mass transit railway, Kafue(Zambia) – Ziwa (Zimbabwe) Railway, TAZARA Nseluka – Mpulungu port, Mchinji/Chipata Railway



Tourism Sector



Tourism Sector

- ❑ Tourism is one of the fastest growing sectors in Zambia
- ❑ It has the potential to be a major contributor to socioeconomic development as an important source of jobs, prosperity and competitiveness.
- ❑ Key assets include pristine national parks and game management areas, which are home to a great diversity of wildlife and flora.
- ❑ Investment Opportunities:
 1. Mulungushi International conference center redevelopment
 2. Livingstone Hotel and conference center: Development of an ultra-modern multi-purpose conference facility.
 3. Lodges: Kafue South National park – 250 beds, and Luangwa South National Park Lodge - 120 beds



Investment Incentives



1

Tax Incentives

- Corporate Income Tax : 0% for 5 years
- Zero percent tax rate on dividends for 5 years
- No Import Duty on equipment and machinery for five years

2

Non-Tax Incentives

- Investment guarantees and protection
- Free facilitation for application of permits, licenses, land acquisition and utilities

3

Location Support

- Multi Facility Economic Zones
- Industrial Parks
- Rural Area

Recent Projects

Implemented Projects

- **Zambian Breweries US\$32 million**
- **Dangote Cement US\$400 million**
- **Zambia Sugar Expansion Project - US\$82 million**
- **Silverest Housing Project – US\$16 million**
- **Global Plantation – US\$ 200 million**

Sun Bird Investments Ltd

- **Production of Ethanol Cassava in Kawambwa District, Luapula Province**
- **Out-grower scheme targeting 20,000 small scale farmers**
- **Project Cost: \$150million**
- **Expected employment: 600 direct jobs**

Mansa Sugar

- **Sakiza Spinning Limited** in partnership with the Kenyan investors.
- **Sugar cane plantation and a sugar processing factory Land :**

Buffalo Consortium

- **Cement and Lime Production**
- **Project cost: \$500,000,000**

10 Reasons to invest in Zambia

1	Stable Political System
2	Positive and investor friendly economic environment
3	Investment guarantee and securities
4	Abundant natural resources presenting excellent investment and trade opportunities
5	Thriving private sector

6	Attractive investment incentives
7	Unlimited repatriation of profits & no exchange controls since 1994
8	Duty free access to regional, wider Africa, EU and USA Market.
9	Progressive banking, legal and insurance services of international standards and stock exchange.
10	Good place to work and live friendly people with a rich culture.



ZDA: The Gateway to Zambia



Comprehensive support to foreign & local investors

Provide information
on markets
and industries



Assist in
plant site selection



Assist in seeking
business partners



Consult on
Investment incentives



Arrange meetings
with government
officials

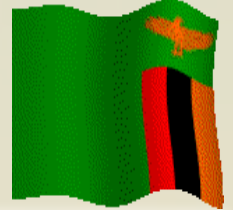
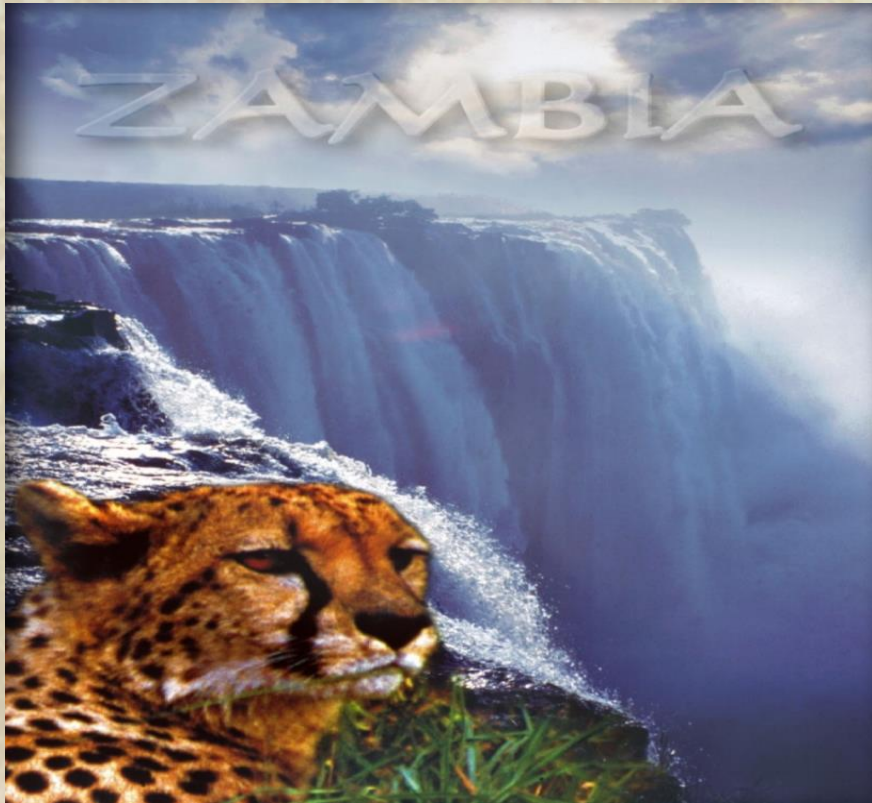


Provide
administrative
support



Successful Investors in Zambia





Embassy of the Republic of Zambia
18, avenue de Tourville
75007
PARIS, France
Tele: +33(0)1 56 88 12 72
E-mail: zambiansparis@wanadoo.fr

