

#### HOW TO SUCCEED IN AFRICA: UNLOCKING GROWTH AND OPPORTUNITIES IN AF<u>RICA</u>



ZAMBIA

## **Risk Factors**

- Risk of losing investment constitutes one of the biggest concerns for investors;
- African countries are seen s risky because they are distant, remote and unknown to those with capital;
- Uncertainty of political stability due to frequent wars and changes in political leadership;
- Uncertainty due to inconsistency policy framework

- Lack of legislation to protect investment;
- Foreign exchange restrictions and uncertainty due to exchange rate deterioration/fluctuation;
- Lack of or low technology and poor work culture;
- Poor or inadequate infrastructure including roads, rail, telecoms, storage facilities;
- Land tenure due to uncertainty of land management legislation;
- Slow public service or poor responsiveness.

# **Risk Mitigation**

### Overall change;

- Most African countries have changed considerably over the last 20 years and faster in the last decade;
- All African countries are members of AU which enforces a code of behave;
- African countries belong to one of the six (6) Economic Communities which have code of practice, e.g. SADC and COMESA;
- African countries have established constitutional provisions and investment based on specific legislation

### Securing Investment: The case of Zambia

- Encouraging private sector-led investment, Private-Sector;
- Joint Ventures between local people and Japanese;
- Investors, as well as Public–Private Partnership, where these can best serve private sector investment needs;
  - Promoting <u>Value-Addition</u> to its several natural resources/raw materials in areas with advantageous endowment;
- Having specific Laws which have been established through the regulatory and supportive institutions:
  - Zambia Development Agency (ZDA)- ACT 2006 (for Foreign Direct Investment and Private Sector)
  - Citizens Economic Empowerment (CEEC) ACT 2006.

### **Safety of Foreign Direct Investment (FDI)**

- Constitutional guarantees and protection;
- Supportive Subsidiary Legislation. Protecting specific investment though <u>"Investment Promotion and Protection Agreement (IPPA)</u>, which is later issued as Statutory Instrument(s) by Government.
- Open Forex exchange Policy –without restriction if forex was brought in.
- Incentives, including Duty –Exempt Capital Equipment Importation
  - \*Corporate Tax Exemption

-100% up to 5 years

-50% up to 8 years

-75% up to 10 years

- Zero Tolerance for Corruption and Fraud.
- Well-proven /and Observance of all Human Rights, Inclusive growth and constitutional provisions for peaceful change of democratic Government, which respects previous Government's decisions, except where fraudulent transactions were involved.
- Has had no civil violence or disorder, let alone civil war.
- Always honoured all International Obligations

#### Youthful population

- $\checkmark~84\%~$  up to 35 years
- $\checkmark$  68% up to 25 years;
- Millions youth seeking productive work
- Some readily available Industrial Infra-structure;

### Benefits

- Land and water availability;
- High payback and Internal Rate of Return (IRR);
- Free foreign exchange management

### Conclusion

YOU HAVE AN OPPORTUNITY TO COME AND INVEST SAFELY IN AFRICA AND ZAMBIA

THE INVESTMENT OPPORTUNITY WINDOW DOES NOT LAST FOREVER. SO COME NOW.





# THANK YOU