



ZAMBIA – Land of OPPORTUNITIES & PROFITS



Zambia
Development
Agency

Presentation Strategy



Strengths of Zambia



Key Investment Consideration



Zambia from a Foreign Perspective



Sectors of focus for Investment



Why Invest in Zambia

Area: 752,614km² (39th)
Population: 14.1 million (71st)
GDP (PPP): \$24.714 billion
Per Capita: \$1,752
GDP Growth Rate 6.6% 2013
Trade Export: \$10.434bn 2013
(f.o.b) Import: \$9.414bn

Foreign Exchange Reserves
• \$1.892 Billion (Dec.2013)



Inflation (CPI): 7.0% (Dec 2013)

Unemployment: 14% (2013)

Fiscal Deficit:

- Overall Balance : 4.3% of GDP

External Debt: \$3.1 Billion (Sep. 2013)

Credit Rating

Moody's B1
Fitch B+ (neg. outlook)
S&P B+ (neg. outlook)

Zambia by Numbers

Strategically Located

By Road



Organized Regional Roads

By Air

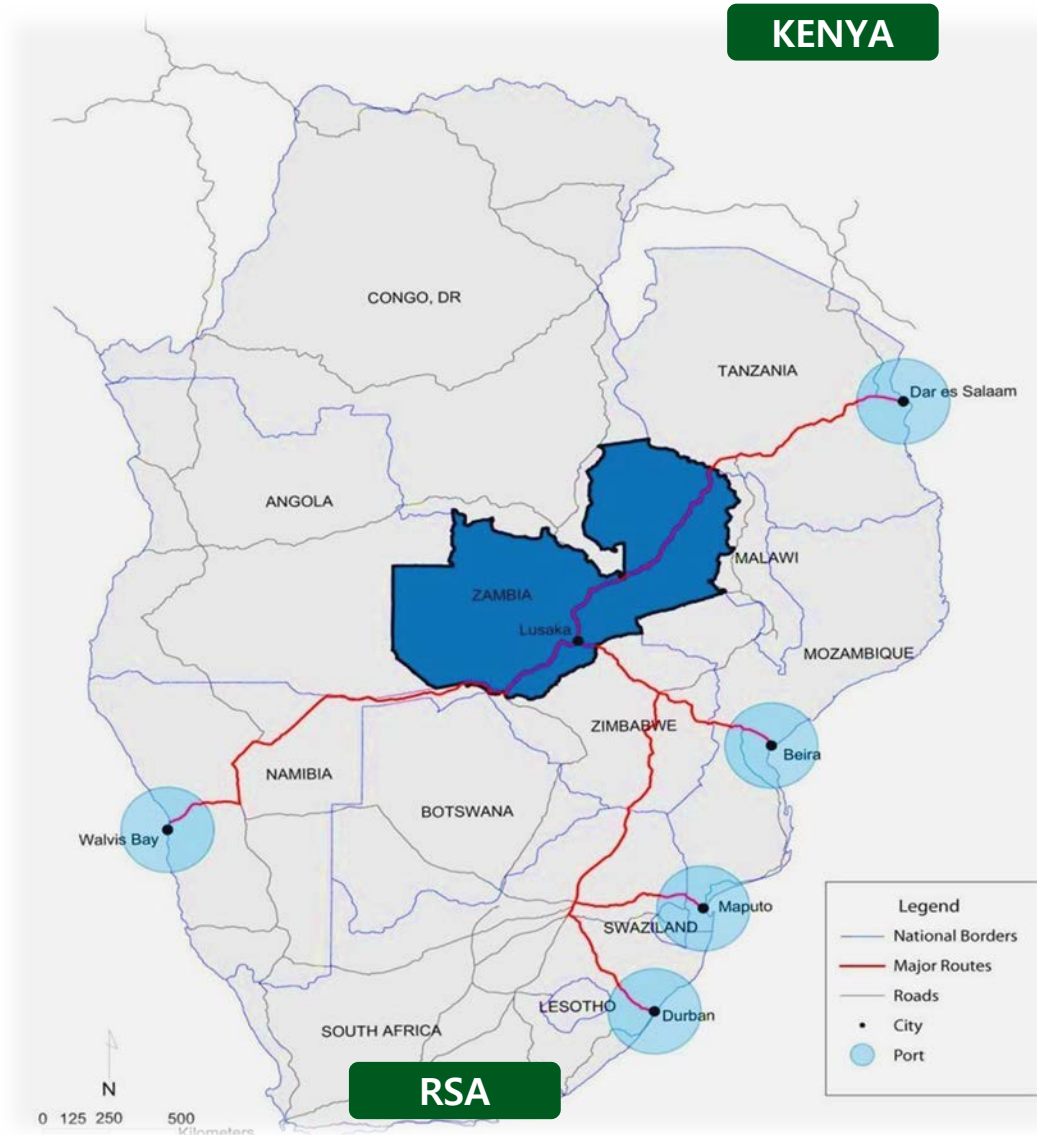


Three Intl. Airports

By Rail



Inter-connected rail



At the Centre of Two Regional Markets

Untapped growing regional market



SADC
Approx. 277million people
GDP US \$ 575.5 billion



Zambia

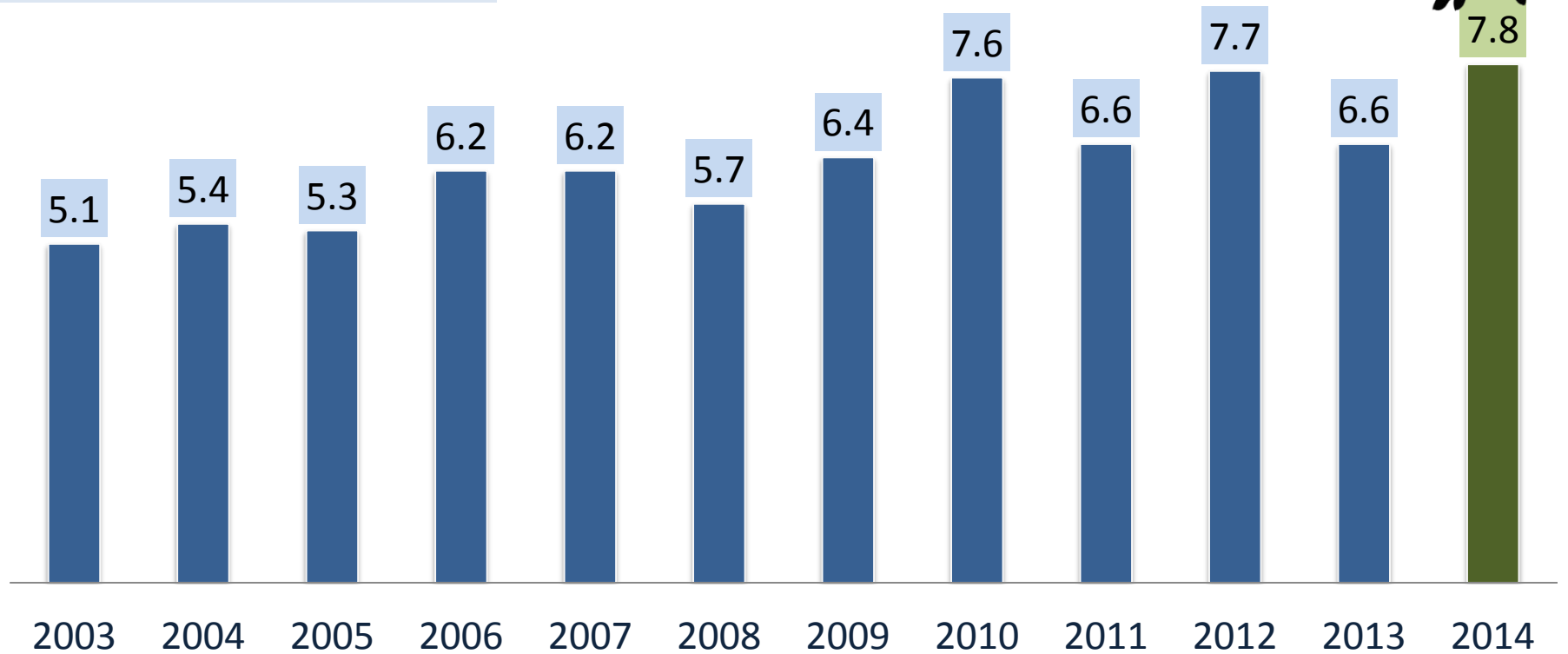
COMESA
Approx. 459 million people
GDP US \$ 508 billion



Other Market Opportunities include;

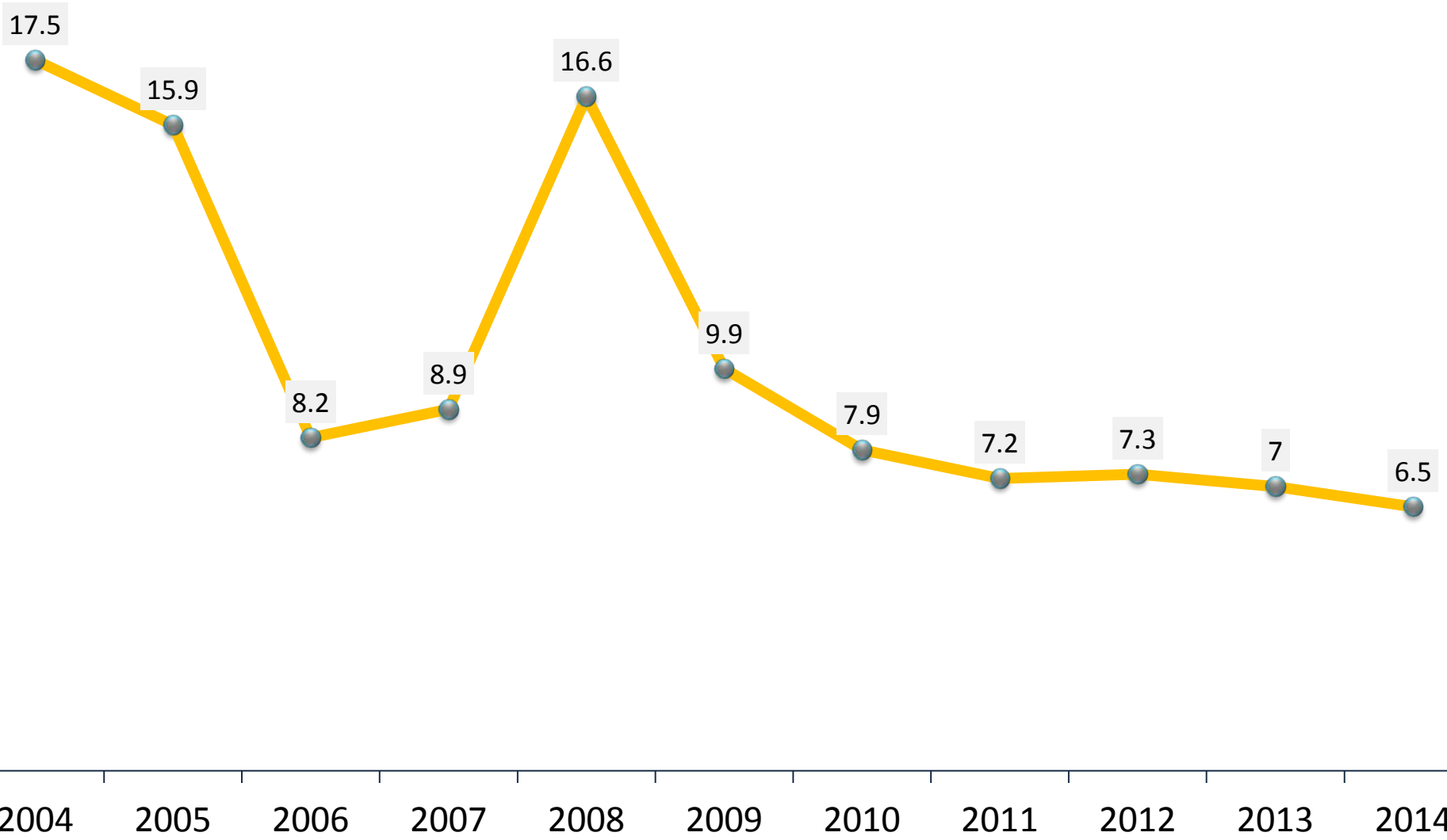
- EU through EBA initiative
- USA through AGOA initiative
- Canadian, Chinese & Japanese Market Access Initiatives

Economic Growth 2003 - 2014



Source: Central Statistics Office

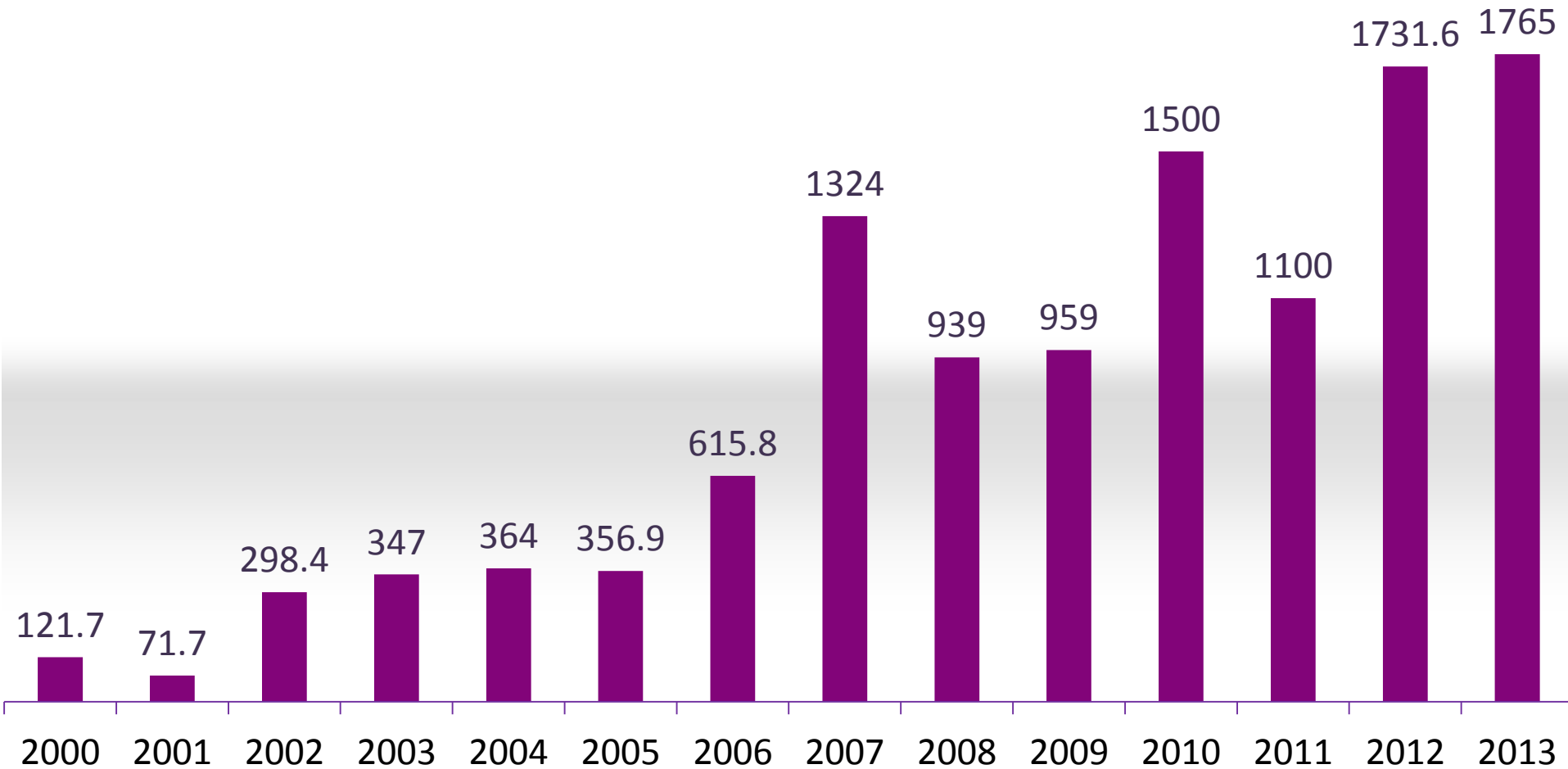
GDP growth forecast for 2014 is 7.8 %



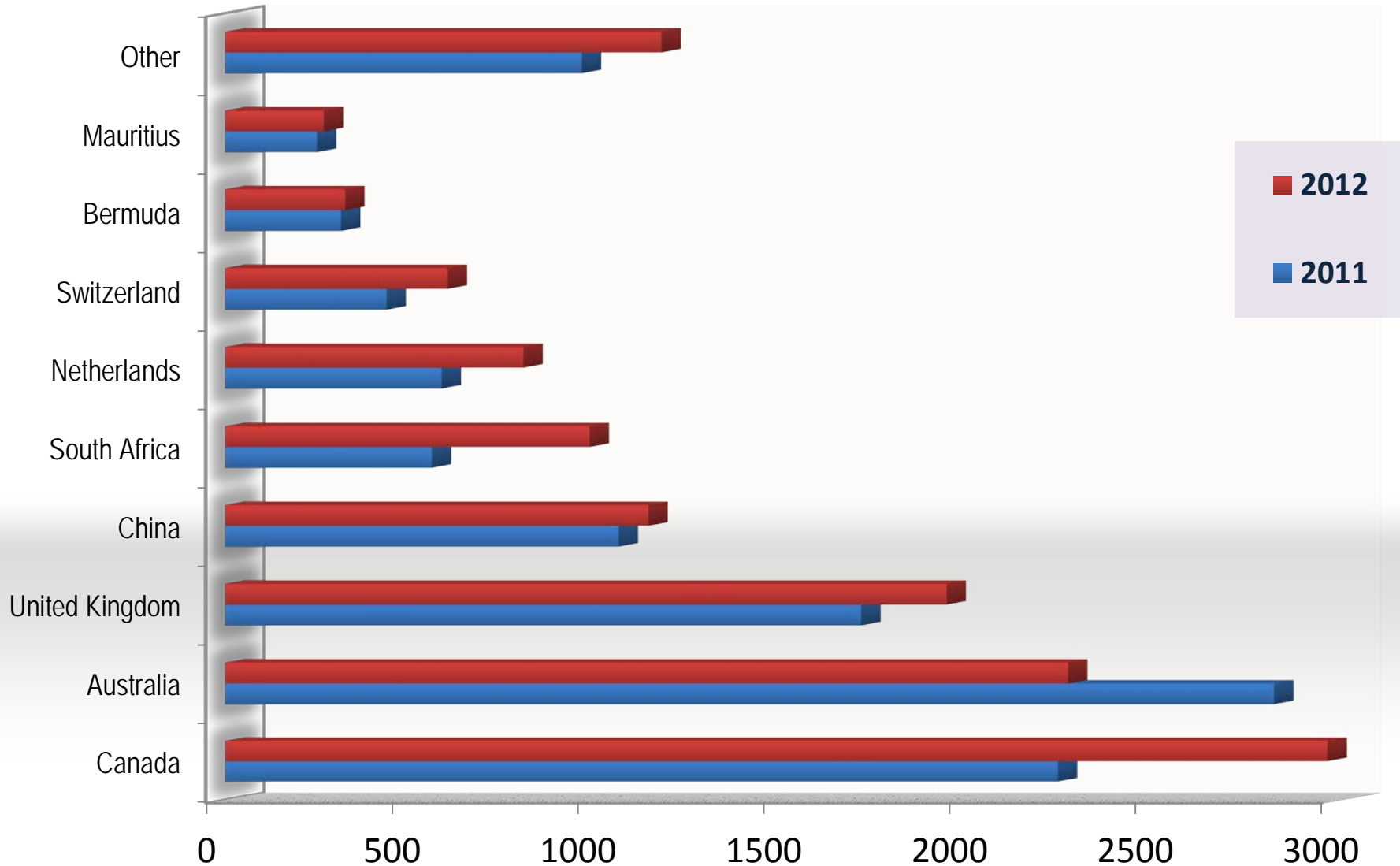
Source: Central Statistics Office (CSO)

Trend in Annual Inflation Rate (%) for the period 2004 – 2014e

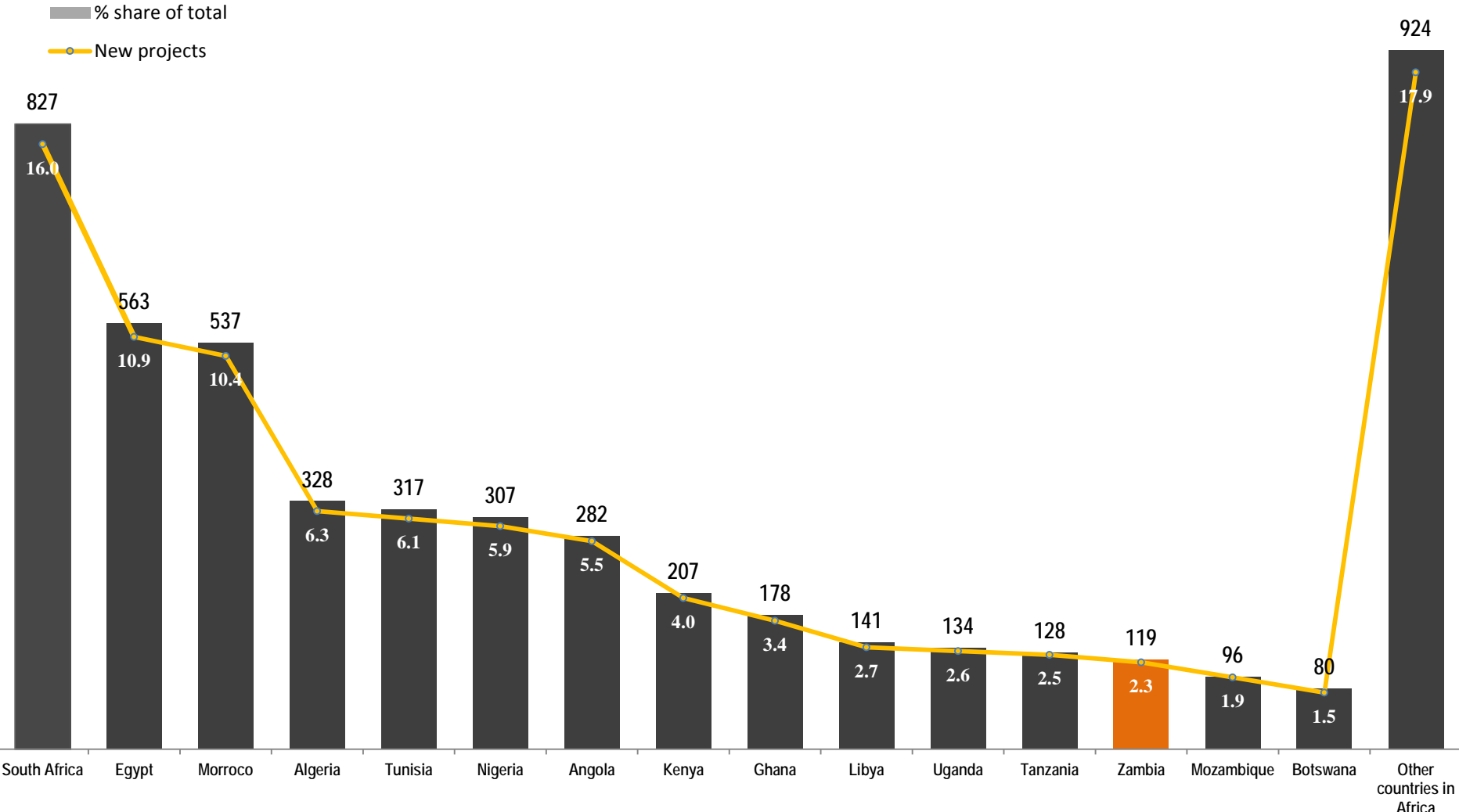
Trend in FDI Inflow (Million US \$) for the period 2000 – 2013



FDI Stocks by Source Country (Million US \$) for the period 2011 – 2012



In Top 15 African countries that attracted 82% of new FDI Projects since 2003



Source: fDI Intelligence, data as of 3 February 2012: Ernst & Young

Among the Top 10 Fastest Growing Economies

World's ten fastest-growing economies*

Annual average GDP growth, %

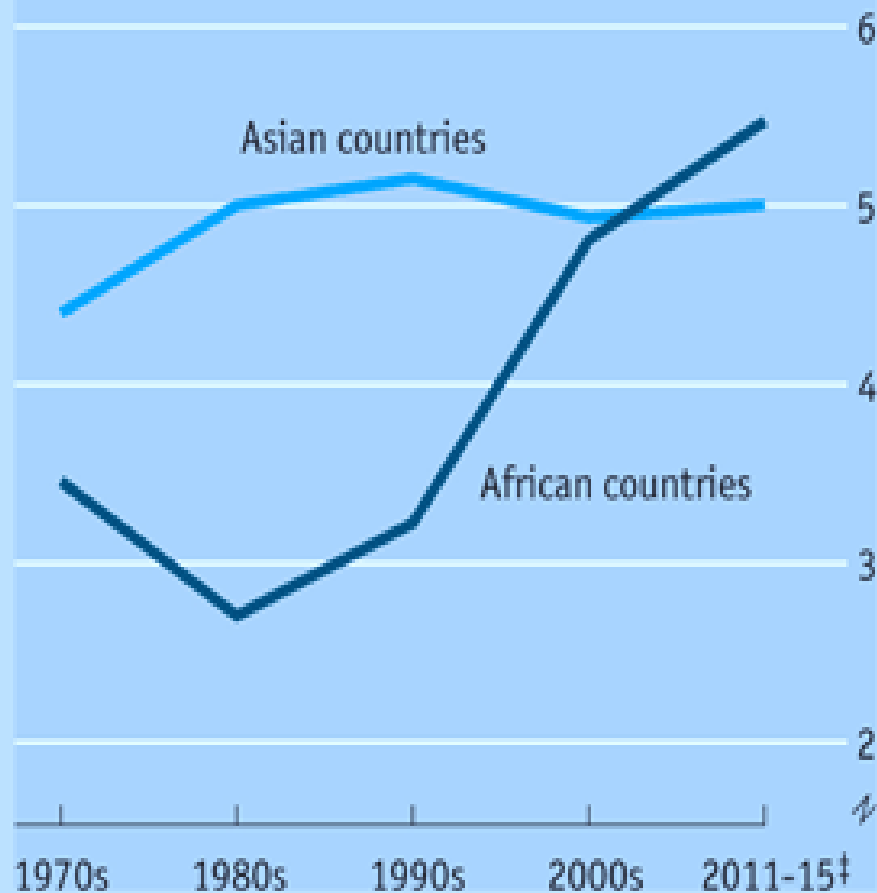
2001-2010†

Angola	11.1
China	10.5
Myanmar	10.3
Nigeria	8.9
Ethiopia	8.4
Kazakhstan	8.2
Chad	7.9
Mozambique	7.9
Cambodia	7.7
Rwanda	7.6

2011-2015‡

China	9.5
India	8.2
Ethiopia	8.1
Mozambique	7.7
Tanzania	7.2
Vietnam	7.2
Congo	7.0
Ghana	7.0
Zambia	6.9
Nigeria	6.8

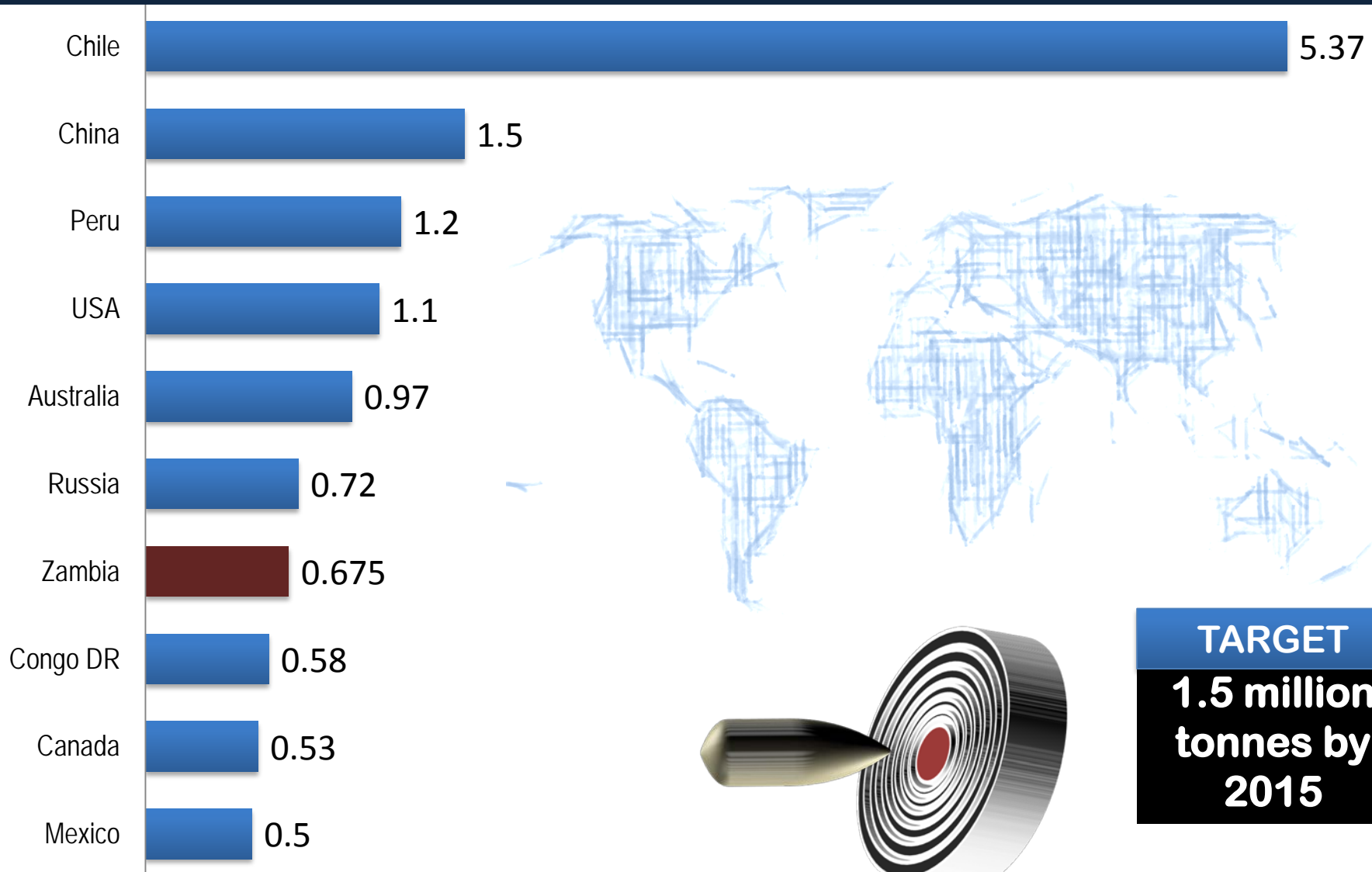
GDP growth, unweighted annual average, %



*Excluding countries with less than 10m population and Iraq and Afghanistan †2010 estimate ‡Forecast

Sources: *The Economist*; IMF

Africa's Leading Copper Producer, 7th in the World



TARGET
1.5 million
tonnes by
2015

Stable Political and Social Environment



Index of African Governance out of **52** Countries

2012 Rank

16th

2013 Rank

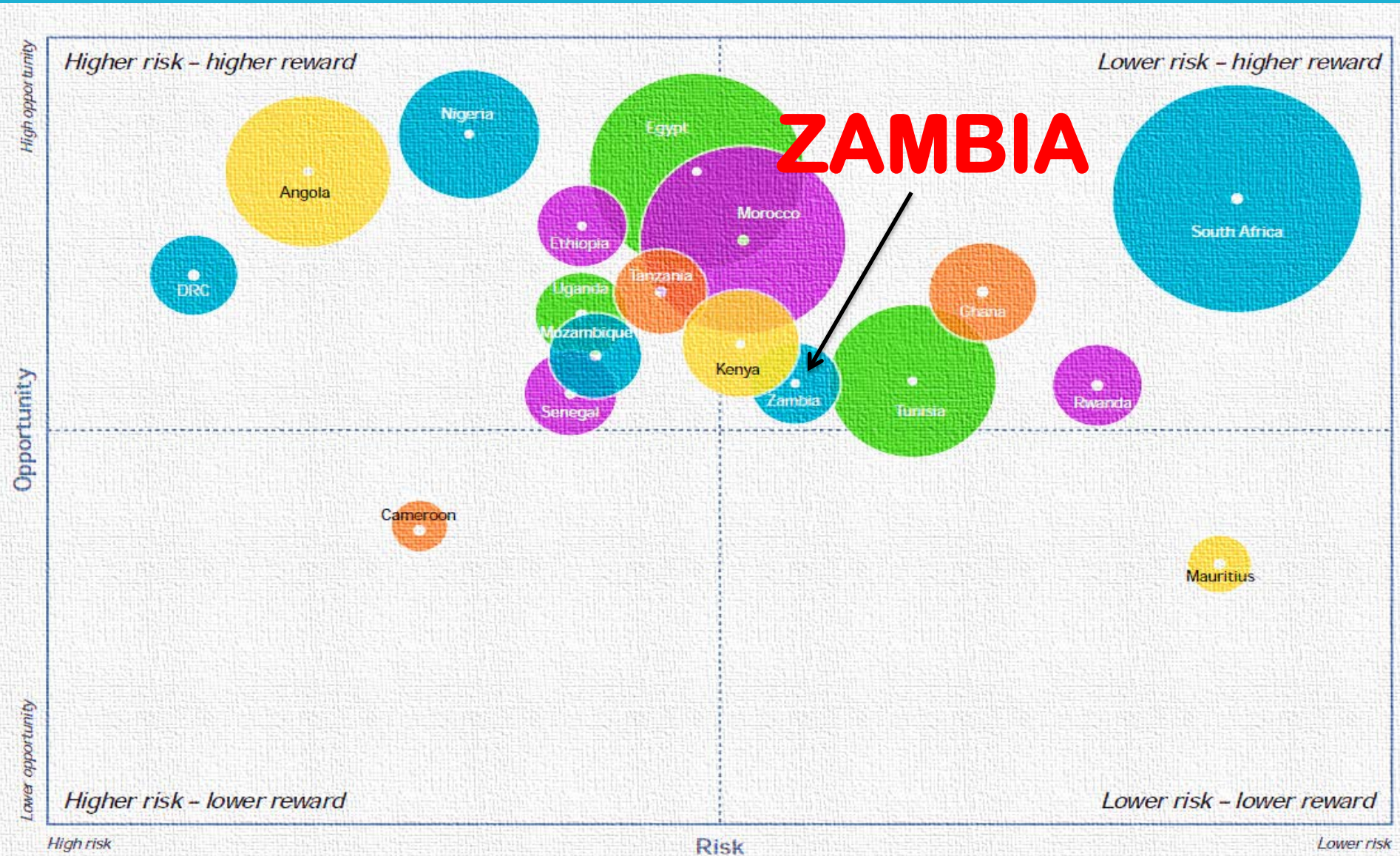
12th

Categories considered in the rank;

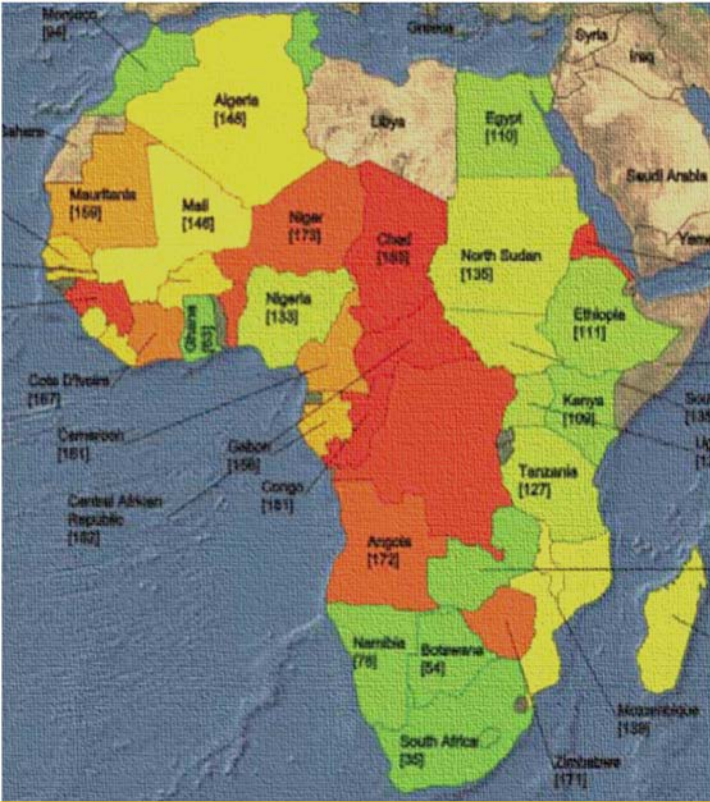
- ✓ Safety & rule of law
- ✓ Participation & human rights
- ✓ Sustainable economic development
- ✓ Human development

Africa Market Assessment

Risk and Opportunity Assessment Matrix



Ease of Doing Business HEAT MAP



Map depicting the relative ease of doing business across Africa

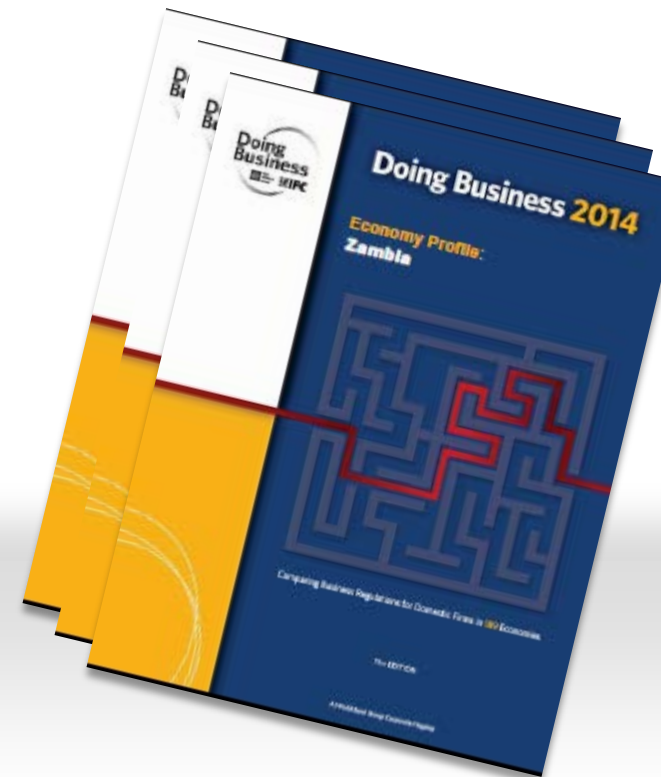
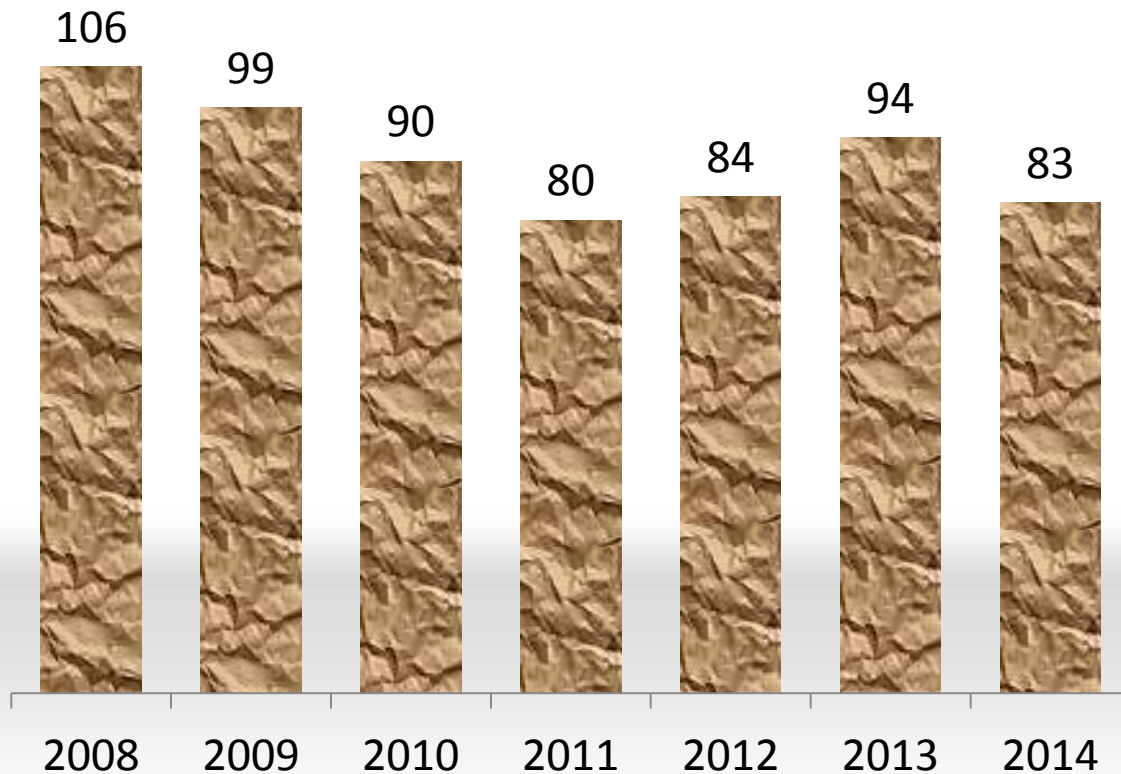
(on a scale from green being relatively easier to red being the most difficult)



Data Source: Ernst and Young: Africa-By-Numbers 2012

World Bank's Doing Business 2014

Ranking for ease of doing business (out of 189 economies)

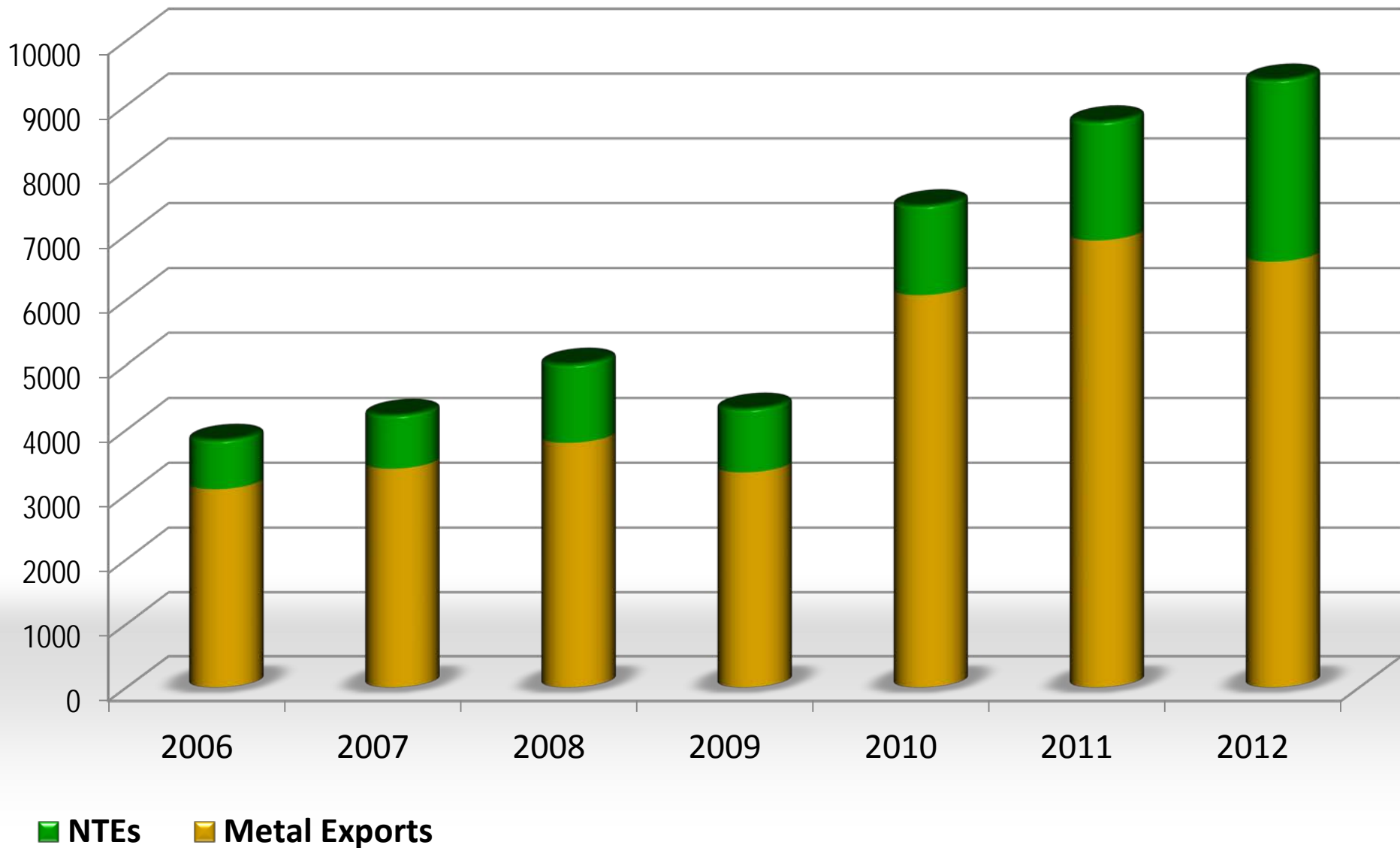


5th in Sub Sahara Africa
3rd among SADC Countries (1st – Mauritius, / 2nd RSA / 3rd Zambia)

Profitability in Zambia (US\$ Millions)



Sector	Return on Equity (%)
Accommodation and Food	15.7
Agriculture, Forestry & Fishing	14.5
Administrative & Support Service	6.0
Deposit taking Corporation (Banks)	6.9
Electricity, Gas, Steam	16.6
Information, Communication	9.2
Manufacturing	34.9
Mining and Quarrying	15.1
Professional, Scientific and Technical Services	193.3
Real Estate	17.2
Transport & Storage	13.9
Wholesale and Retail	36.3



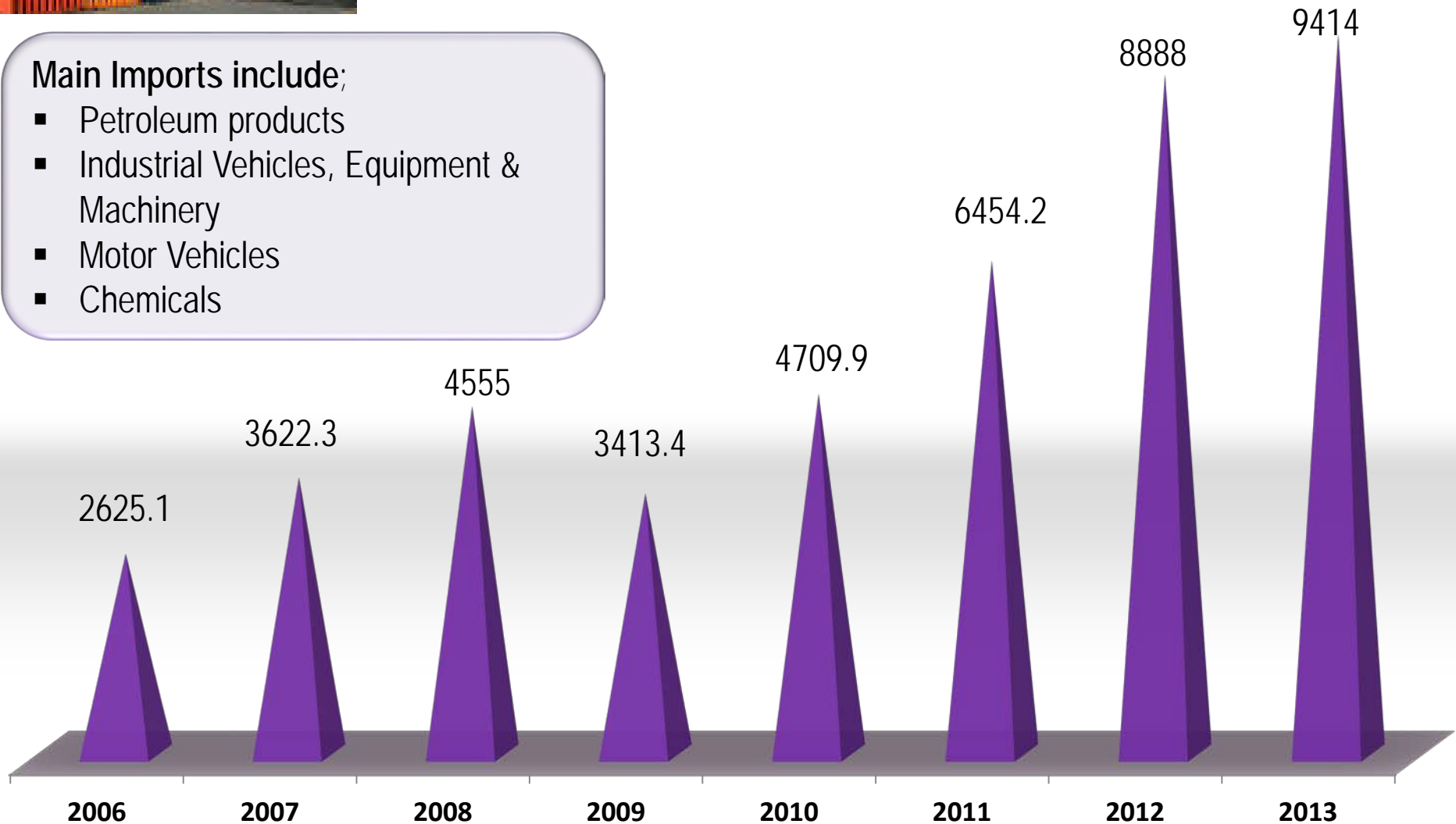
Export Performance (Million US\$)
2006 -2012

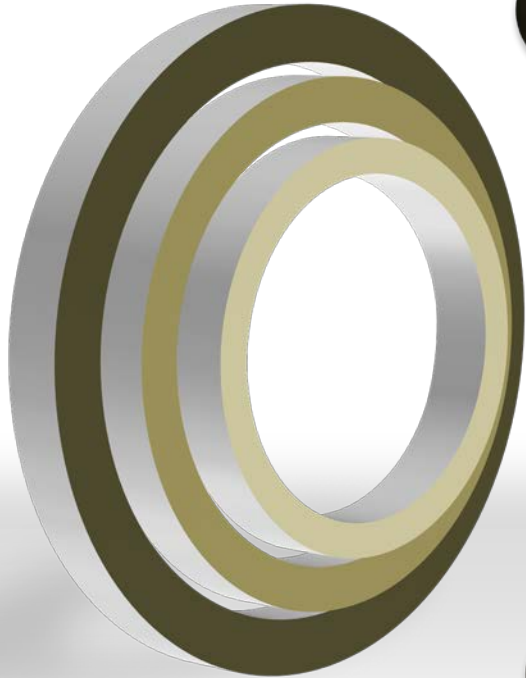


Imports (Million US \$) for the period 2006 – 2013

Main Imports include;

- Petroleum products
- Industrial Vehicles, Equipment & Machinery
- Motor Vehicles
- Chemicals





1

Tax Reduction

- Corporate Income Tax : 0% for 5 years
- Import Duty on Capital Goods, Machinery & Specialised vehicles



2

Location Support

- Multi Facility Economic Zones
- Industrial Park
- Rama Area

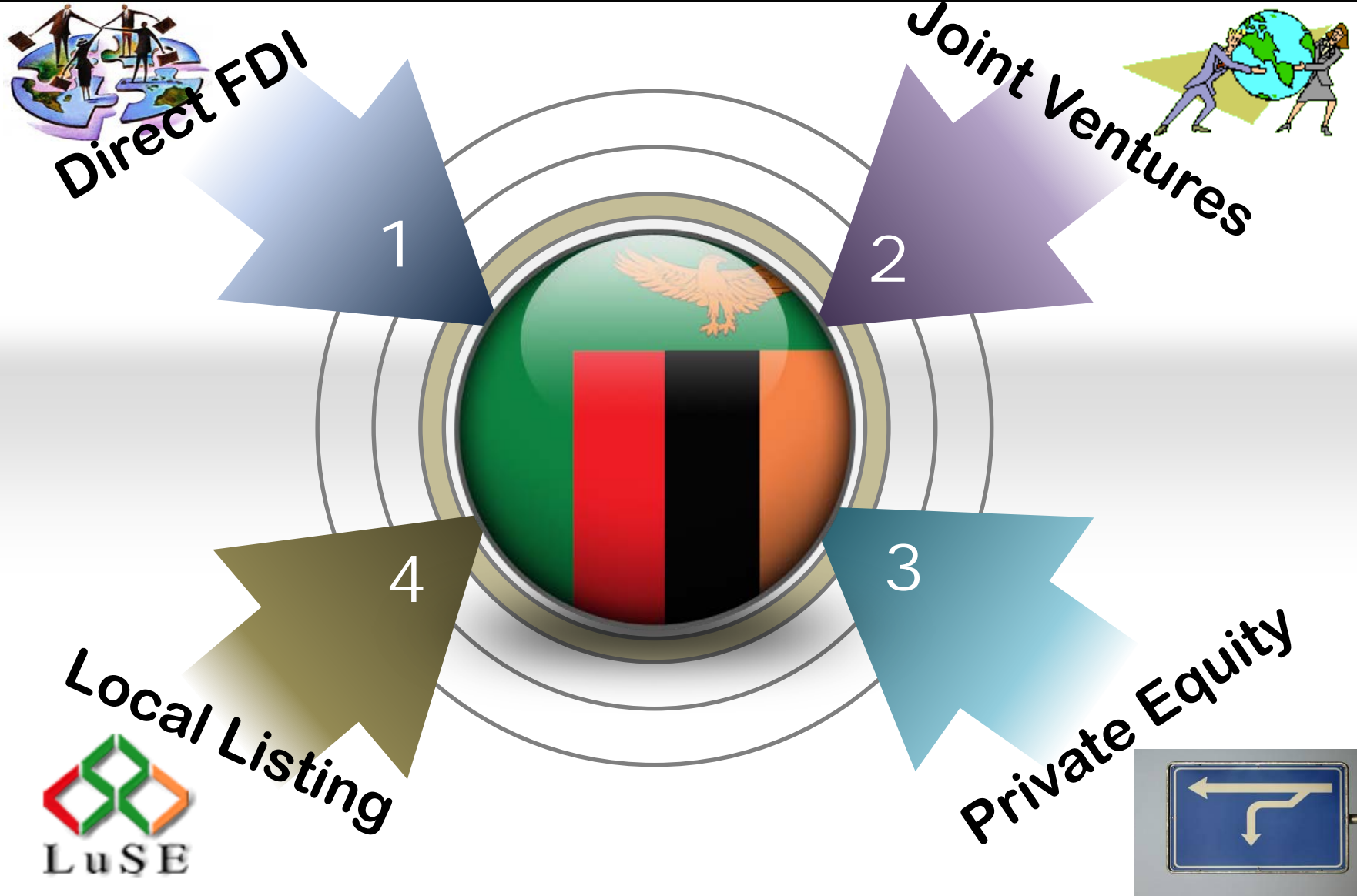
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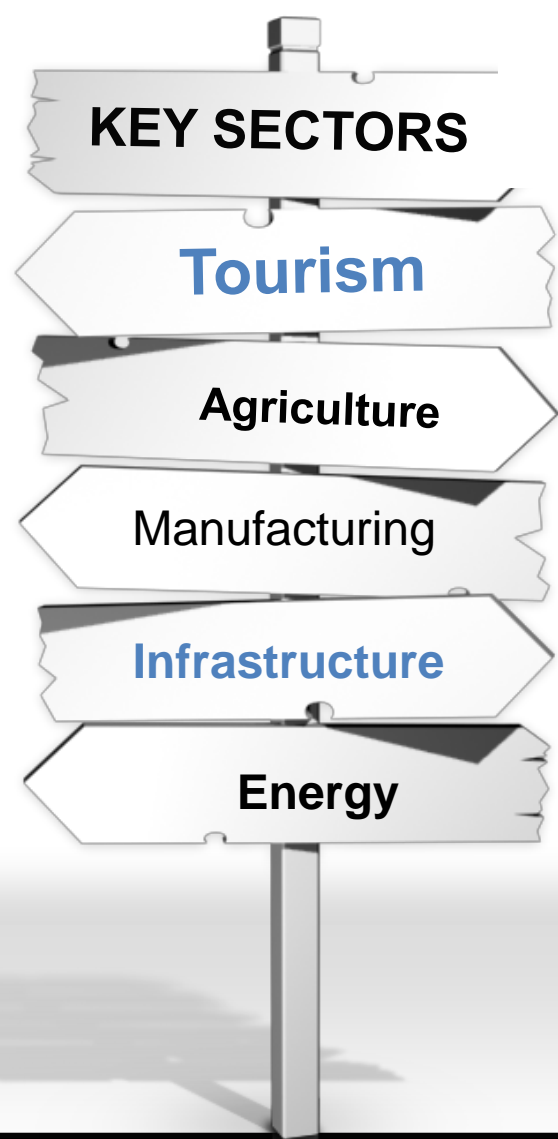
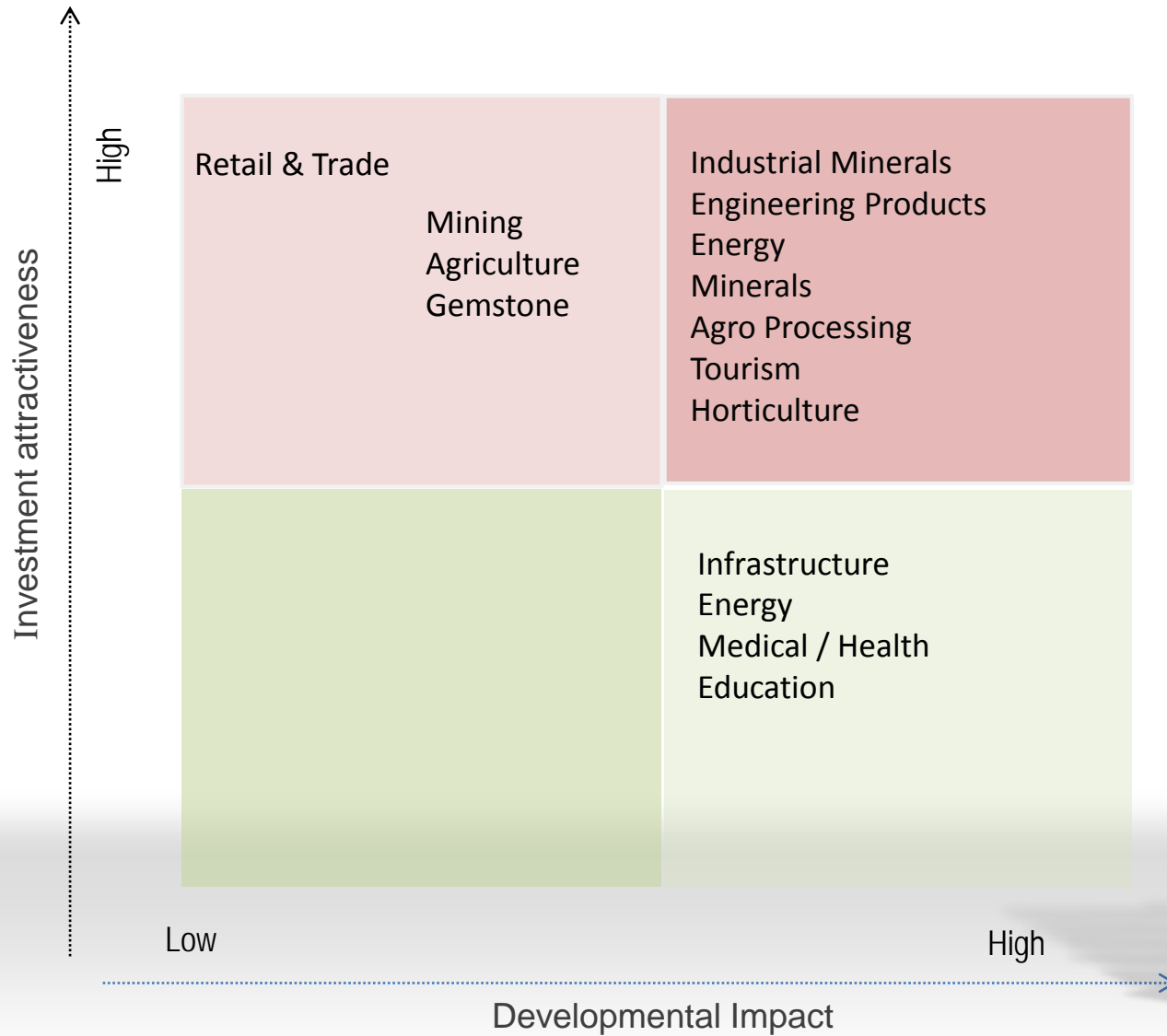
Others

- Assistance in getting Government approvals
- Identification of local suppliers

Investment Incentives

Routes to Investing in Zambia





Magic Quadrant for Sector attractiveness/Developmental Impact

Investment Opportunities still exist.....



Tourism

Manufacturing

Agriculture

Energy

Infrastructure

Key Sectors

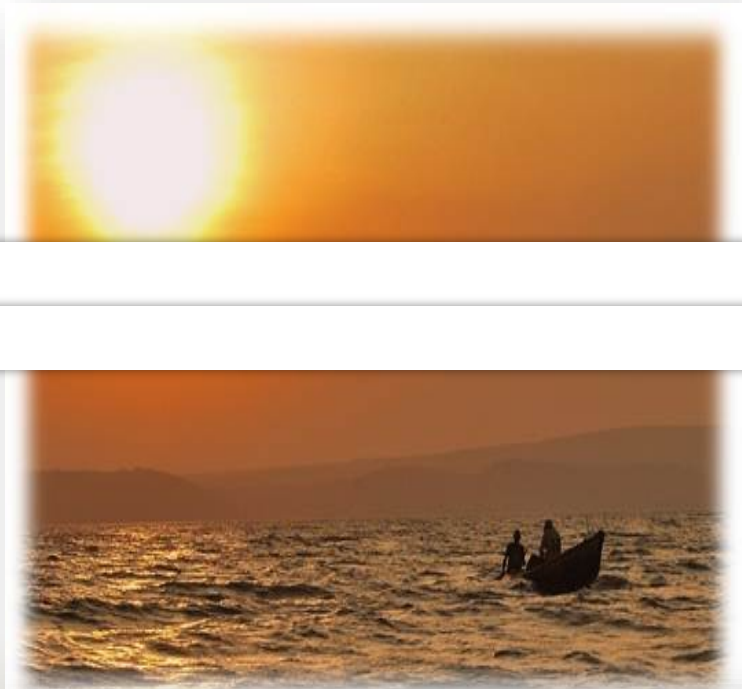


Energy Sector



- ❏ Zambia's growing economy requires efficient electricity supply
- ❏ Increasing demand for energy, especially by mines, projected to exceed existing capacity in next few years
- ❏ Existing transmission network is ageing
- ❏ Government focus is to develop new capacity by investing and attracting private sector investment in:
 - Large projects such as *Kariba North Bank Extension, Itezhi Tezhi and the Kafue Gorge Lower*
 - Smaller projects like *Kabompo and Kalungwishi* and mini hydro stations in *Lunzuwa, Chishimaba, Lusiwasi and Musonda Falls*.

Tourism Sector



✚ Zambia's Potential

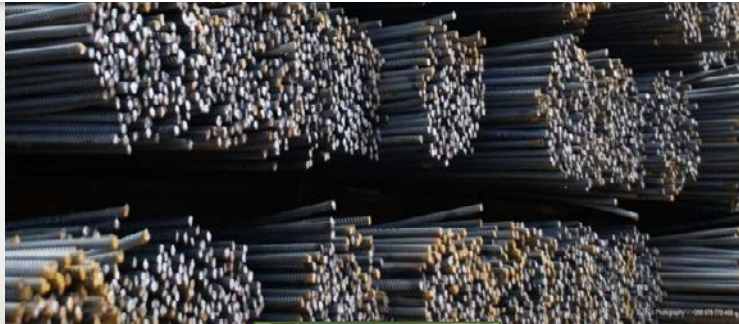
- Endowed with a vast variety of wildlife species
- 20 national parks and game reserves
- Spectacular sites such as **Victoria Falls**
- Rich cultural heritage
- Home to Africa's 2nd largest park – **Kafue National Park.**

✚ **Government's focus** – to promote the sector through development of essential infrastructure.

Top of the list – promoting the development of;

- Kasaba Bay (Northern Circuit) and
- Livingstone Tourism Zone

Manufacturing Sector



Zambia's manufacturing base is narrow

- Excessive import dependence
- Most mining inputs are imported from SA

Government focus has been on facilitating creation of economic zones and industrial parks:

Land identification, Infrastructure provision (roads, water and sanitation, electricity)

- Chambeshi Zone has commenced operations
- New Zones in Lusaka-East,
- Lusaka-South and Lumwana are in progress

Infrastructure Sector



- ❖ Construction and maintenance of roads
- ❖ Development of a various inland ports and logistics centres at:-
 - Chipata
 - Kapiri-Mposhi
- ❖ Development of 2,500 km stretch of railway lines
 - *Mpika – Chipata : Tazara railway connection (Tazara corridor)*
 - Mulobezi- Namibia – Livingstone – Kazungula- Sesheke (north-corridor)
 - Kafue-lions den in Zimbabwe (Beira corridor)
 - Intra-city I
 - Lusaka mass transit system
 - Nseluka – Mpulungu railway connection

Agriculture Sector

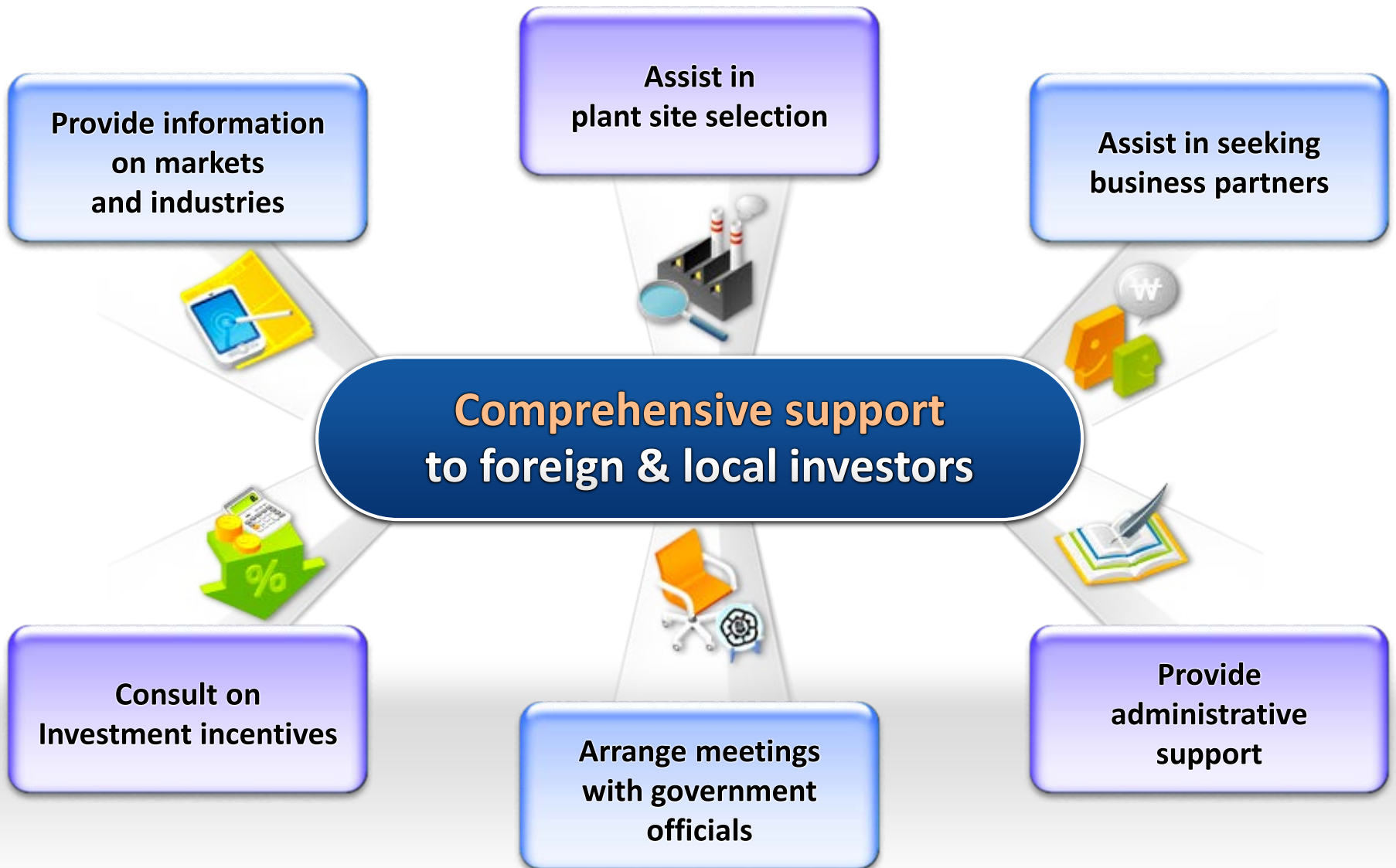


- ✦ **Abundant Land;**
27 million hectares of arable land
9 million hectares under cultivation
- ✦ **Vast water resources;**
40 percent of water resources in the SADC region
- ✦ **Government focus:** - *to encourage investment of large scale and commercial farmers.*
Model of choice: farm blocks with ready infrastructure such as roads, water and electricity
 - Nansanga Farm block (*120,000 hectares*) completed & has been advertised:
 - Luena and Kalumangwe farm block preparation in progress (*approx. 100,000 hectares each*)

Successful Investors in Zambia



ZDA Support System



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

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.





Zambia Development Agency
Promoting economic growth and development

A-to-Z information on the Zambian market

Guidance through the entire export and investment process and aftercare

Provision of matching Zambia partners and building contact networks

Global export market information & product development

SME & business development services



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