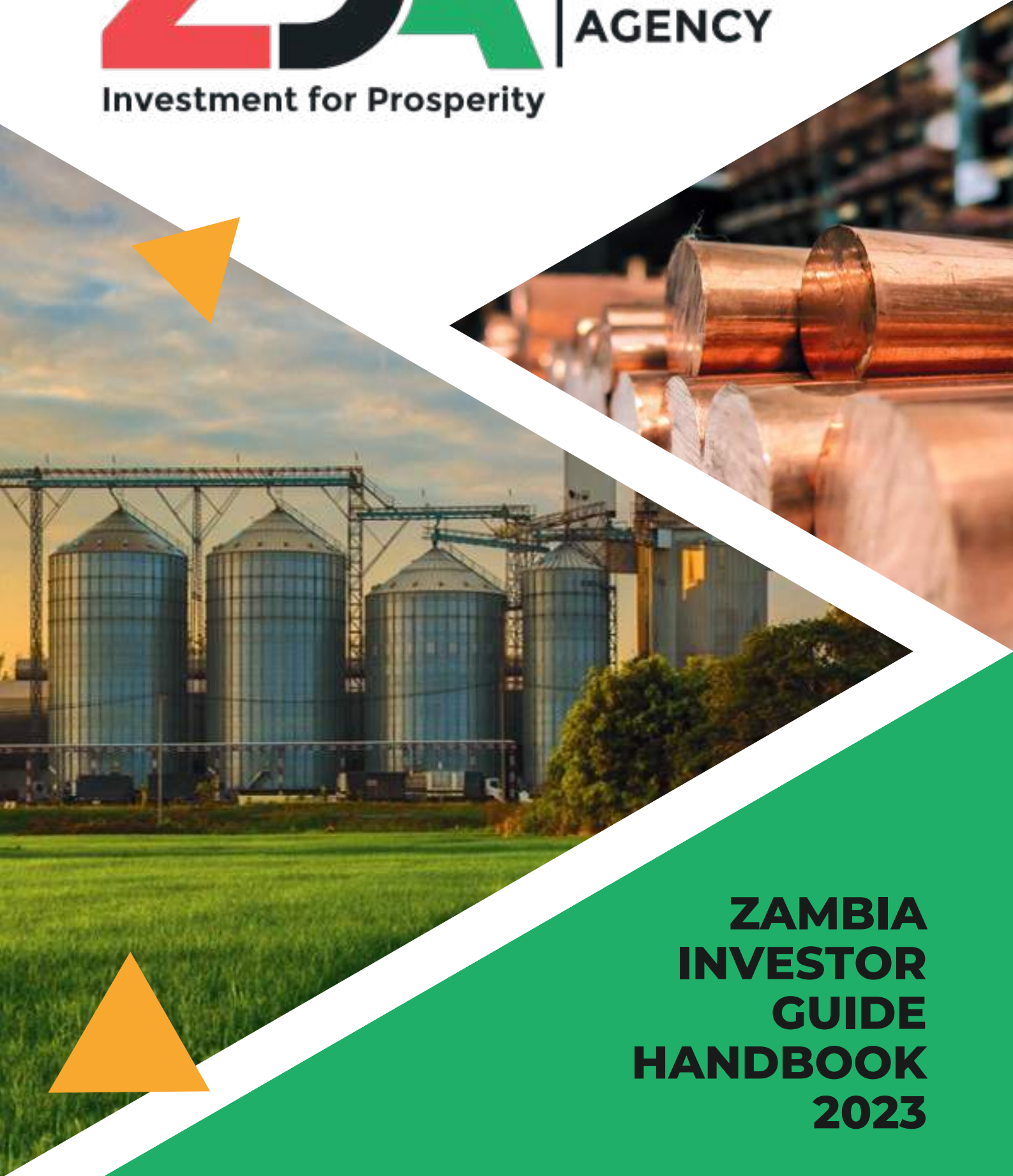




**ZAMBIA  
DEVELOPMENT  
AGENCY**

**Investment for Prosperity**



**ZAMBIA  
INVESTOR  
GUIDE  
HANDBOOK  
2023**

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# Foreword



With profound satisfaction, the Zambia Development Agency (ZDA) is pleased to present this latest iteration of the Investor Guide Handbook.

Zambia is richly endowed with abundant attributes that render it a compelling focal point for investment globally. This handbook, therefore, guides investors on information relating to the economic and regulatory environment within which to operate and conduct business in Zambia. The sound macro-economic environment and the obtaining investment incentives render the country as an ideal investment destination.

This publication therefore is a repository of information for prospective investors, exporters, and enterprises interested in doing business in Zambia.

We earnestly encourage you to reach out to us for further insights and advisory services as we endeavour to facilitate your investment journey.

**Mr. Albert Halwampa**  
**Director General**



## **ABBREVIATIONS**

**AfCFTA - African Continental Free Trade Area**

**AGOA - African Growth and Opportunity Act**

**AU - African Union**

**COMESA - Common Market for Eastern and Southern Africa**

**ECF - Extended Credit Facility**

**ERB - Energy Regulation Board**

**FDI - Foreign Direct Investment**

**GDP - Gross Domestic Product**

**IMF - International Monetary Fund**

**LHPC - Lunsemfwa Hydro Power Company**

**MFEZ - Multi-Facility Economic Zones**

**MoFNP - Ministry of Finance and National Planning**

**RTSA - Road Transport and Safety Agency**

**SADC - Southern African Development Community**

**TFTA - Tripartite Free Trade Area**

**USD - United States Dollar**

**ZATP - Zambia Agri-business and Trade Project**

**ZDA - Zambia Development Agency**

**ZEMA - Zambia Environmental Management Agency**

**ZESCO - Zambia Electricity Supply Corporation**

**ZICTA - Zambia Information Communication Technology Authority**

**ZMRA - Zambia Medicines Regulatory Authority**



## MAKE THE SMART MOVE TODAY BY INVESTING IN ZAMBIA

An ideal investment destination in Africa, Zambia is one of the top ranked countries for doing business. Ranked 7<sup>th</sup> in Africa in the Ease of Doing Business (World Bank 2020), 1<sup>st</sup> and 4<sup>th</sup> for getting credit in Africa and the globe respectively.

Since the turn of the 21<sup>st</sup> century up to date, Zambia's economy has been growing around 5.4 percent above Sub Saharan Africa's average of four (4) percent during the same period. Coupled with this growth, the country's stable political environment makes it a safe and favourable place to invest in.

There is great potential for Zambia's economic growth, given its untapped natural resources essential for increasing productivity. The country accounts for 40 percent of water resources in the region a key input in industrialisation and increased production in the agriculture sector.

Additionally, Zambia has implemented investor friendly fiscal policy measures as an enabler for investment through its tax regime, fiscal and non-fiscal incentives.

The country is centrally located to tap into the regional and continental markets for trade. Zambia is a member of the SADC, COMESA, TFTA and the AU and also acceded to the AfCFTA. The country has also established strong financial and regulatory systems to enable businesses to thrive.

Its world class infrastructure such as: the Harry Mwaanga Nkumbula Airport in Livingstone; Simon Mwansa Kapwepwe in Ndola, and the Kenneth Kaunda International Airport in Lusaka (the recipient for the best International Airport in Africa award at the 2022 World Luxury Travel Awards Gala Ceremony in Turkey).

In order to facilitate efficiency in international trade, the country has set up excellent border infrastructure among them the Chirundu One Stop Borders Post with Zimbabwe, Kazungula - Kasane One Stop Border Post with Botswana, the Mwami One Stop Border Post with Malawi, and the Nakonde –Tunduma One Stop Border Post between Zambia and Tanzania.

The country has made several reforms over the years to improve its business environment. This has resulted in the country being ranked favourably as one of the easiest places to do business from in Africa.

In 2022, the country reached an Extended Credit Facility (ECF) with the IMF. The ECF supports low income nation's economic programs aimed at moving toward a stable and sustainable macroeconomic position consistent with strong and sustainable poverty alleviation measures and economic growth.

The country has some world class infrastructure ranging from superb airports; border posts, financial institutions, road networks, and railways to adequate water supply and electricity generation systems to satiate investor needs.

Business entities are guaranteed the best value for their money when they invest in Zambia.

## I. ZAMBIA AT A GLANCE

Situated at the heart of Africa, Zambia has a vibrant economy with a rich history and natural resources. It is one of the friendliest places in the world for adventure or for living in and working from. Its cultural and religious diversity makes it a home for people with diverse ethnic backgrounds and lifestyles. With its tranquil environment and the existence of quality social, education and health services make it home-away-from-home.

### Location

- South-Central Africa with 8 neighboring countries + 1

### Capital

- Lusaka, a growing cosmopolitan city and houses the COMESA Secretariate

### Climate

- Sub-tropical climate with 3 seasons – rainy, winter and summer

### Population

- Fast growing population – 19.6 million people.
- Wide Market Access:
  - SADC 372 million people
  - COMESA 500 million
  - AfCFTA 1.3 billion

### Government

- System of representation

### Languages

- English (official language), the local languages include Bemba, Tonga, Nyanja, Lozi, Lunda and 68 others

### Religion

- Christianity is the largest Faith. Other Faith include Islam, Hinduism, and Bahai' Faith

### Time Zone

- Greenwich Mean Time (GMT) +2 hours

### Currency

- Zambian Kwacha (ZMW)



## 2. A COUNTRY OVERFLOWING WITH OPPORTUNITIES FOR BUSINESS

Beyond its rich natural heritage and scenic beauty, Zambia offers lucrative and safe investment opportunities through a unique blend of market access, abundant and affordable factors of production, competitive investment incentives, and ease of doing business, to mention a few.

Private sector reforms aimed at streamlining business registration and regulation have made doing business in Zambia easier, as shown by Zambia's notable improvement in the World Bank's Ease of Doing Business Rankings since 2015. Coupled with other initiatives being implemented by Government, these reforms have created a dynamic business regulatory framework that is responsive to the needs and expectations of investors.

Zambia offers preferential access to vast international markets within and beyond the continent. It shares its borders with eight countries and belongs to the 16-member SADC regional trade bloc and the 21-member COMESA bloc, with combined populations of 345 million in 2022 and 560 in 2022 respectively. Trade and investment has been enhanced by bilateral and multilateral agreements such as the Tripartite Free Trade Area (TFTA), the African Growth and Opportunity Act (AGOA), and the Everything But Arms (EBA) Initiative, which have enhanced duty and quota-free market access regionally as well as America and Europe.

Other notable factors include:

- No controls on prices, interest rates, and foreign exchange rates;
- Free repatriation of debt repayments;
- 100% repatriation of net profits;
- Guarantees and security for investors;
- Availability of world-class banking, financial, legal, and insurance services;
- Access to a wide range of investment incentives;
- Expansive road, rail, and air transport infrastructure connecting the country to ports all over the world;
- Double Taxation Agreements with 23 countries; and
- No restrictions on entry to and exit from any commercial sector of the economy

Ease of getting credit

• Zambia is placed 1st in Africa and 3rd in the world out of 190 countries in the World Bank's Ease of Doing Business rankings.

Ease of doing business

• Zambia is ranked 7th in Africa and 85th in the world out of 190 countries in the World Bank's Ease of Doing Business rankings

Peace and security

• Zambia is ranked 6th in Africa and 56th in the world

### 3. ECONOMIC GROWTH AND STABILITY - CATALYSTS FOR INVESTMENT AND DEVELOPMENT

Zambia's well-developed free market economy has supported the growth of its economy over the years as illustrated in its strong economic performance. The country's positive productivity levels is testimony to its open outward-oriented development strategy. Like most economies, Zambia was not immune from external shocks such as the Russia-Ukraine war and volatilities in global commodity prices resultant from disruptions in global supply chains, leading to a contraction of economic activities with GDP falling from 3.6 percent in 2021 to 3.1 percent in 2022.

Notwithstanding volatile global markets, the economy registered stable macroeconomic indicators in areas such as inflation, unemployment, interest rates and positive economic growth. The Central Bank has maintained inflation in single digits, with the exception of 2016 when the country faced energy and agriculture shocks due to drought.

The Country has continued to enjoy increasing investment that has continued to be above the Sub-Saharan average. Having said that, Zambia's prospects for continued growth and stability are bright and will be realised through the continued implementation of reforms and policies aimed at private sector development.

Figure 1: Economic Growth Trend



Source: World Bank, MoFNP, 2023



### 3.1. INVESTMENT PROFILE

Year	FDI Inflows (millions of USD)				
	2018	2019	2020	2021	2022
<b>FDI Inflows</b>	408.4	859.8	(172.8)	116	(456.7)

Source: World Investment Report 2022 & Zambia Development Agency

Year	FDI Outflows (millions of USD)				
	2018	2019	2020	2021	2022
<b>FDI Outflows</b>	32.2	696.2	133.4	(453.4)	(388)

Source: World Investment Report 2022 & Zambia Development Agency (ZDA).

Year	FDI Inward Stock (millions of USD)				
	2018	2019	2020	2021	2022
<b>FDI Inward Stock</b>	20,435.4	19,134.3	19,368.3	15,236	18,911.6

Source: World Investment Report 2022 & Zambia Development Agency (ZDA).

Year	FDI Outward Stock (millions of USD)				
	2018	2019	2020	2021	2022
<b>FDI Outward Stock</b>	1,585.2	2,169.9	2,303.3	231	1,849.9

Source: World Investment Report 2022 & Zambia Development Agency (ZDA).

#### Main FDI Investors

Canada	Australia	South Africa	Mauritius	United States
USD 903.2 million	USD 217.5 million	USD 141.2 million	USD 47.3 million	USD 29.2 million

Source: Bank of Zambia, 2023

#### Main FDI Sectors

Deposit taking Corporations	Information and Communication	Manufacturing	Wholesale and retail trade	Agriculture, forestry and fishing
USD 173.3 million	USD 82.2 million	USD 76.7 million	USD 58.6 million	USD 6.3 million

Source: Bank of Zambia, 2023

## 4. INVESTMENT OPPORTUNITIES IN PRIORITY SECTORS

Many profitable investment opportunities abound in Zambia, therefore you are assured of succeeding when you invest in Zambia.

### 4.1 MINING

Zambia is the world's ninth largest producer of copper. It produced 770 metric tonnes in 2022 and holds six percent of the world's known copper reserves. Copper and cobalt, the country's traditional exports, account for well over 70 percent of export earnings. Zambia's copper mines are concentrated in the Copperbelt Province, although over the past decade, mines have been established in other parts of the country such as the North-Western Province.

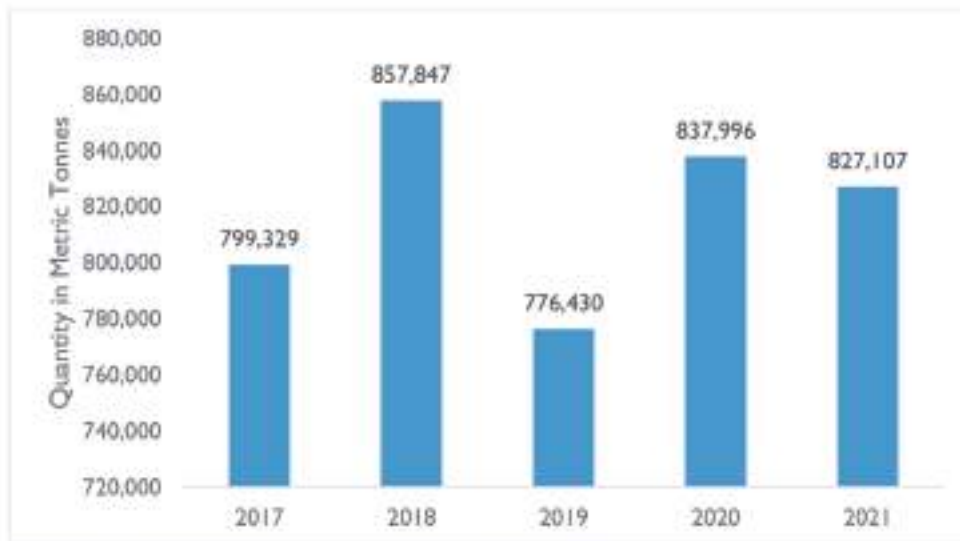
Other mineral endowments include gold, zinc, lead, iron ore, manganese, nickel, feldspar, sands, talc, barite, apatite, limestone, dolomite, uranium, coal, and gemstones (e.g. diamonds, emeralds, aquamarine, topaz, opal, agate and amethysts). Zambia, notably, produces over 20 percent of the world's emeralds and has the capacity to increase its production. This extensive range of mineral resources, including a variety of industrial minerals and energy resources such as uranium, coal and hydrocarbons, presents investors with excellent opportunities, especially in the area of extraction and processing. Zambia's endowment of mineral resources is substantial, although the full potential of known deposits is yet to be realized. A 2013 World Bank geological analysis suggested that Zambia's copper deposits were larger than previously estimated, signalling massive exploration potential. This potential is starting to be realized through recent exploration for copper deposits. Since the privatization of the mines ended in 2000, approximately \$17.50 billion has been invested in the sector by about 278 enterprises.

Large-scale copper mining accounts for more than 90 percent of these investments. In 2019, mining accounted for 9.9 percent of GDP, 26.7 percent of Government revenue, 2.4 percent of direct employment and 77 percent of exports. Even with so much investment in the sector, existing mines have only scratched the surface of the mineral wealth that lies underneath the ground.

Government policy is tailored to the promotion of value addition to minerals such as copper through the introduction of incentives such as a preferential corporate tax rate of 15 percent for companies that add value to copper cathodes, compared to the standard 35 percent for other non-incentivized firms.



Figure 2: Copper Production Trends



Source: World Mining Data, Zambia Invest (2023)

The illustration above indicates that a tremendous opportunity exists for investment in value addition to mining products such as copper. As shown, Zambia's production of raw copper (average of 790,000 metric tonnes per annum) far surpasses its production of value added copper wires/cables (about 25,000 metric tonnes per annum).

#### 4.2 AGRICULTURE

The agriculture sector in Zambia has great potential. Zambia has a vast arable land resource base of 42 million hectares and only 1.5 million of it is under cultivation every year. Only 10 percent of its arable land is used productively. The sector has a lot of potential to expand which in-turn would stimulate aggregate productivity. Agriculture employs almost a third 59 percent of the country's total labour force.

Furthermore, Zambia has abundant water resources for irrigation accounting for 40 percent of the water resources in the Southern African Development Community (SADC) region.

Its climate is similar to those for most Southern African countries, experiencing rainy seasons between the months of November and April while the dry season is characterized by low humidity between the months of May and November. The average temperature in the summer is 30°C and gets as low as 5°C in the winter, which is suitable for both traditional and winter crops.

Notwithstanding the aforementioned; the country has adequate transport infrastructure such as (air, road, water and rail). In order to stimulate investment in the sector, the Government has established farming blocks to enhance productivity.

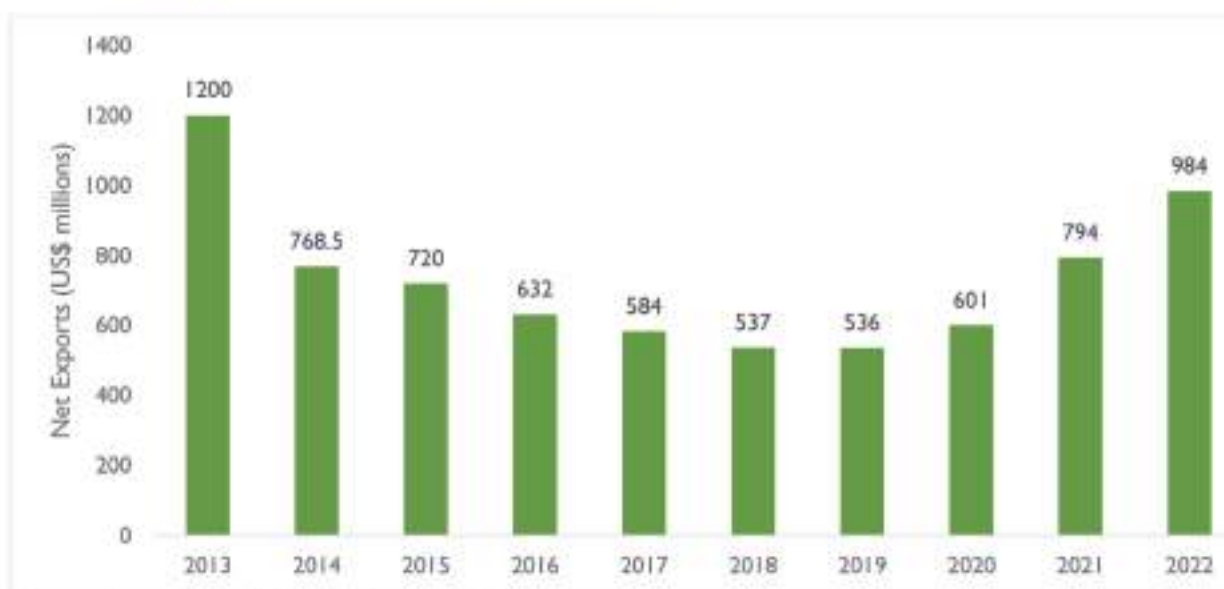
Zambia's traditional crops include maize, cassava, wheat, sorghum, rice, sunflowers, groundnuts, soya beans, mixed beans, Irish potatoes, sweet potatoes, and tobacco. A lucrative cashew nut sub sector in has also been built in the western part of the country. Agriculture plays an important role in Zambia's economy, contributing about 13 percent to the country's



GDP. The Government is currently driving the enhancement of value addition by promoting agro-processing through programmes such as the Zambia Agri-business and Trade Project (ZATP).

Agro-processing opportunities in Zambia are in peanut butter production, cashew nut processing, animal or stock feed production, cassava processing, grain milling, edible oil production, fruit canning, juice extraction, meat, dairy and leather production, fish canning, textiles, bio-diesel production, and honey processing, to mention a few.

Figure 3: Net Exports of Agricultural Products



Source: International Trade Centre, 2023

### 4.3 MANUFACTURING

Zambia has a well-developed market economy. Its strong economic performance over the years is testimony to the nation's open, outward-oriented development strategy. Like most global economies, Zambia's was not immune from the negative effects of the COVID -19 global pandemic and other external shocks such as volatile commodity prices emanating from disruptions in global supply chains. However, GDP rebounded to positive figures yielding 3.6% growth in 2021.

Currently, the main manufacturing activities in Zambia are in the following industries: 1) food and beverages; 2) textile and leather industries; 3) wood and wood products; 4) paper and paper products 5) chemicals, rubber and plastic products 6) non-metallic mineral products; 7) basic metal products; and 8) fabricated metal products.

The top destinations for Zambian exports are Switzerland (\$4.7bn), China (\$2.26bn), Singapore (\$1.43bn), Democratic Republic of the Congo (\$1.11bn), India (\$719m), South Africa (\$486m), United Arab Emirates (\$860m), and Belgium-Luxemburg (\$297m). Other significant markets outside Africa include Netherlands the rest of Europe and North America through the EBA Initiative and AGOA respectively. Investment in the export sector attracts

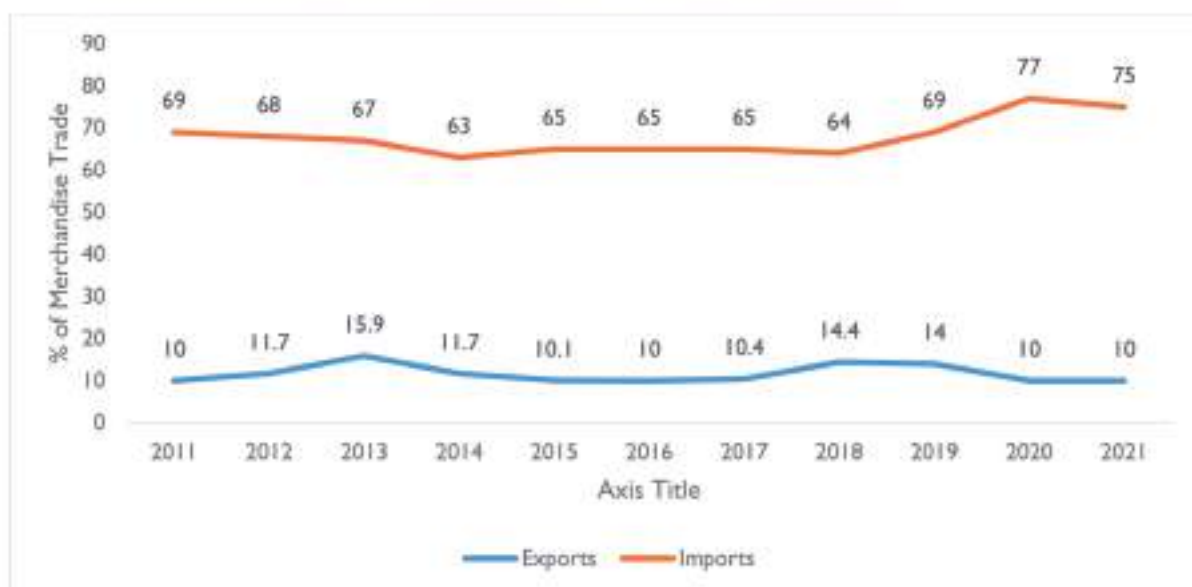
both fiscal and non-fiscal incentives. Incentives designed to aid manufacturing enterprises in non-traditional sectors are being provided through initiatives such as the development of Multi-Facility Economic Zones (MFEZ) and industrial parks.

These zones are provided with modern infrastructure in order to attract and facilitate the establishment of world-class enterprises in the country. The MFEZs blend the best features of the free trade zones, export processing zones, and the industrial parks/zones concept. They apply the administrative infrastructure, rules and regulations that are used as a benchmark among dynamic economies. The blending of physical infrastructure with an efficient and effective administrative infrastructure has created the ideal investment environment for attracting major world-class investors.

The MFEZ incentives, which are highlighted below, are non-discriminatory and apply fairly to all eligible investors from either Zambia or abroad.

The Government has to date declared seven (7) areas as MFEZs and /or Industrial Parks namely: Chambishi, Jiangxi MFEZ, Lusaka East, Lusaka South, Kalumbila; and Ndola (Sub Saharan gemstones exchange) and Roma as Industrial Parks.

Figure 4: Manufactures as a percentage of Merchandise Trade



Source: World Bank, 2023

The graph above shows that Zambia has traditionally been an importer of finished manufactured commodities and an exporter of primary commodities.

This points to a deficit of manufactured products within the country, thereby highlighting opportunities for investment in sub-sectors such as:

- i. Agro-processing;
- ii. Pharmaceutical products;
- iii. Assembly of machinery and equipment;
- iv. Cement;



- v. Packaging materials;
- vi. Fertilizers;
- vii. Textiles; and
- viii. Tobacco products, to mention a few.

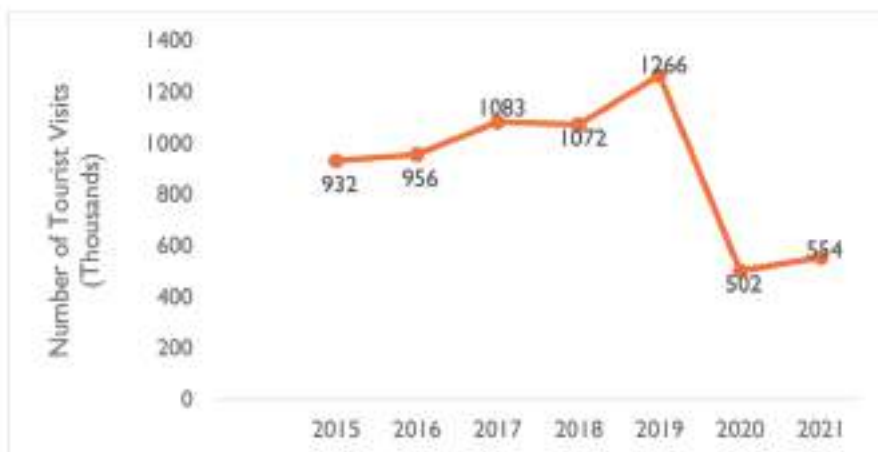
#### 4.4 TOURISM

The tourism industry has grown steadily over the years, with the establishment of road, airports and hotel infrastructure in major tourist centres such as Livingstone and Lusaka. As if that is not enough, Zambia has vast unexploited potential in the tourism sector owed to its natural beauty, its wealth of wildlife and the Victoria Falls, which is one of the most renowned Seven Natural Wonders of the World. Other waterfalls include Kalambo, Musonda, Ngonye, Chishimba, and Ntumbachushi on the northern circuit, while Ngonye falls formerly known as Sioma falls is in the west.

Zambia has 20 national parks and 34 game management areas. Of those, south Luangwa, Kafue and Lower Zambezi rank among the finest national parks in the world while a total of 23 million hectares of land is set aside for wildlife conservation. Additionally, the country has numerous museums that house priceless historical artefacts such as the Lusaka National Museum, Moto-Moto Museum, and Livingstone Museum. Another attraction is the traditional ceremonies that take place at different times of the year where the country's rich cultural heritage is displayed. Lastly, the beautiful scenery and abundant wildlife have led to the growth of a tourism sub-sector in the film industry. Concessions are provided to movie production companies for shooting films or documentaries.

In order to support the tourism sector, Government has continued to build supporting infrastructure such as roads, railways, airports bridges, and hotels among others targeted at facilitating the expansion of the service industry. Since tourism is a priority sector, investment attracts both fiscal and non-fiscal incentives.

Figure 5: Tourism Visits Trends





Source: World Tourism Organization

The illustration above shows that Zambia has been gradually strengthening its status as a preferred tourist destination in Africa. With an increase in tourist visits from about 900 thousand in 2013 to over 1,000 thousand in 2019 before a sharp decline in 2020 which was due to the global pandemic COVID - 19. Global travel bans following the pandemic exacerbated tourist activities in 2020 with visits acutely dropping from over 1 million guests in 2019 to 502,000.

Therefore, the bulk of investment opportunities in the sector are in services offered to tourists such as accommodation, restaurants, entertainment facilities, sports facilities, and safaris/game watching, and transport to mention a few.

#### 4.5 ENERGY

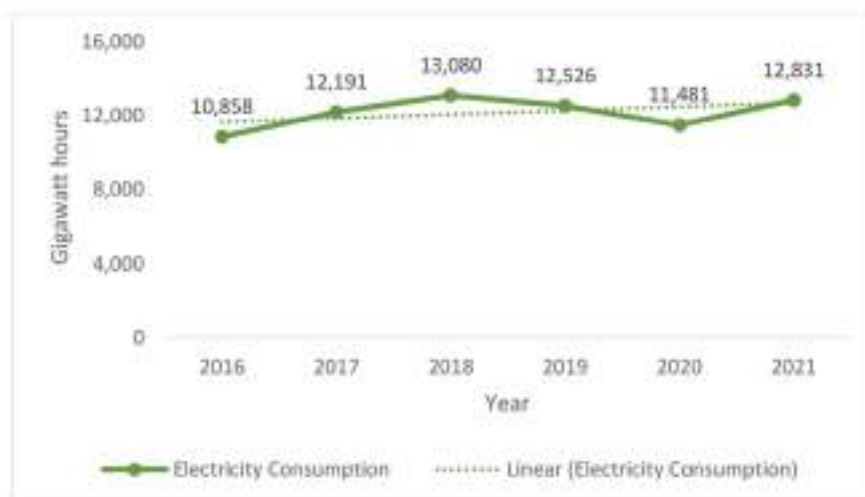
The total installed electricity generation capacity of Zambia was 3777.3MW by end 2022. Hydro power is the most important energy source from this installation capacity with 3163.44MW (84 percent), followed by coal and high fuel oils. The increase in generation capacity from 3318.44MW in 2021 was due to the improved rainfall during the 2022/2023 rain season and the increased generation capacity.

Zambia has about 6,000MW of unexploited hydro power potential and only 53 percent of it has been developed, thus providing an opportunity for investment in hydro power generation. The demand for electricity has been growing at an average rate of 6 percent per annum, mainly due to economic activity but particularly in the agriculture, manufacturing, and mining sectors. The country's growing population has also led to an increase in the demand for other sources of energy such as petroleum and solar energy for transportation and domestic use, especially in rural areas. The state-owned ZESCO Ltd is the only entity that transmits power, while some private entities namely: Copperbelt Energy Corporation Plc (CEC), Lunsemfwa Hydro Power Company (LHPC), North Western Energy Corporation Limited (NWECL), Ndola Energy Company Limited (NECL), Zengamina Power Limited (ZPL), Itezhi Tezhi Power Company Limited (ITPC), Maamba Collieries Limited (MCL), Dangote Industries Zambia Limited, Bangweulu Power Company Limited, and Ngonye Power supply to the ZESCO grid.



Government is working to close the power deficit, especially in rural areas, by facilitating the availability of affordable energy in all parts of the country using programmes such as the Rural Electrification Programme which is spearheaded by the Rural Electrification Authority (REA). In addition to water resources, Zambia has abundant renewable and non-renewable resources including: 1) industrial minerals such as coal; 2) agricultural land to support bio-fuels; 3) ample forests for bio-mass; 4) abundant wind; 5) sunlight for solar power; 6) abundant hot springs for geothermal energy; and 7) uranium for nuclear power.

Figure 6: Per Capita Electricity Consumption



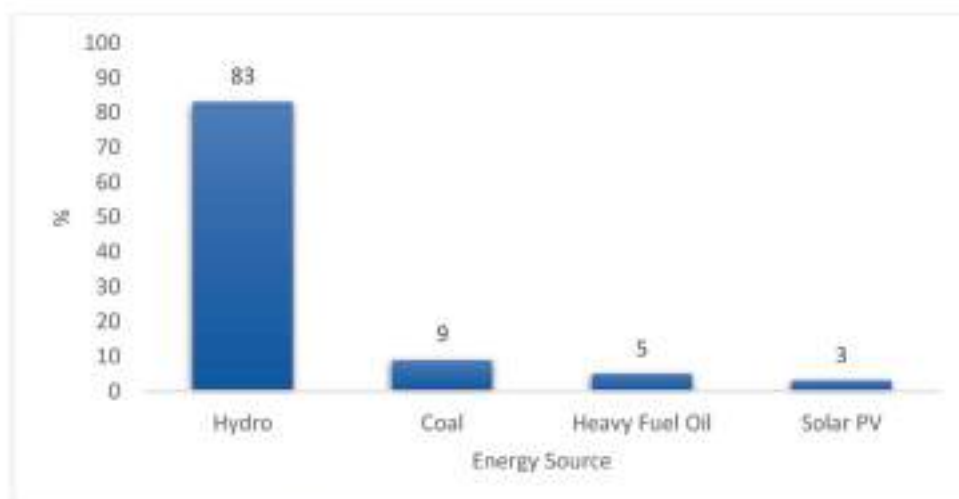
Source: Energy Regulation Board, (2023)

The Figure above shows a steady increase in Zambia’s electricity consumption. However, the generation of electric power has not increased proportionately. As a result, the per capita consumption of electricity has been gradually declining from over 12,191 GWh per capita in 2017 to only 11,481 GWh per capita in 2020. This clearly speaks to an energy deficit that presents opportunities for profitable investments in the sector.

Zambia also presents potential for oil and gas drilling as shown by the massive exploration missions which are currently taking place in North Western, Southern, and Northern regions of the country. Though Zambia does not currently produce oil, soil samples from the aforementioned regions which were tested in top laboratories in Europe showed good traces of crude oil. Investment in this sector attracts fiscal and non-fiscal incentives espoused in the ZDA Act.

Figure 7: Primary Energy Sources by Type





Source: Ministry of Energy, 2023

The main sources of Energy in Zambia are Hydro power accounting for 83 percent power output, Coal which accounts for 9 percent, Heavy Fuel Oils representing 5 percent, and Solar PV which contributes 3 percent.

In spite of the current electricity generation capacity, its production is inadequate to meet Zambia's energy deficit which is estimated by the International Growth Centre to be about 34% of demanded electricity. Therefore, investment opportunities exist in hydro power generation as well as renewable sources such as solar, wind, geo-thermal, bio-fuels, and nuclear.

## 5. INVESTMENT INCENTIVES

### 5.1 ELIGIBILITY CRITERIA FOR INCENTIVES

Table 1: Eligibility Criteria for Incentives

Investor Type	Shareholding Structure	Investment Threshold
Local Investor	100% Zambian shareholding	US\$50,000
Citizen Owned Company	50.1% or greater Zambian shareholding	US\$ 100,000
Citizen Empowerment Company	25.1%-50% Zambian shareholding	US\$150,000
Citizen Influenced Company	5%-25% Zambian shareholding	US\$500,000
Foreign Investor	100% Foreign shareholding	US\$1,000,000

Source: Zambia Development Agency



## 5.2 TAX INCENTIVES

The Trade, Investment and Business development Act No. 18 of 2022 offers the following incentives for companies investing in any of the priority sectors:

- i. Zero percent import duty rate on capital equipment and machinery for five years
- ii. Accelerated depreciation on capital equipment and machinery.

## 5.3 INCENTIVES IN MULTI FACILITY ECONOMIC ZONES

Investment incentives for enterprises in the manufacturing sector and which are export-oriented are eligible for additional tax incentives if located in an MFEZ or Industrial Park. The incentives are:

- i. Zero percent tax for a period of 10 years from the first year of commencement of works in a Multi Facility Economic Zone or Industrial Park
- ii. Zero percent tax on dividends declared on profits made on exports from first year of commencement of works, for companies in a Multi Facility Economic Zone or Industrial Park, for a period of 10 years
- iii. Zero percent tax on profits made on exports from first year of commencement of works, for companies in a Multi Facility Economic Zone or Industrial Park, for a period of 10 years
- iv. For years 11 to 13 only 50 percent of profits to be taxed and;
- v. For years 14 and 15, only 75 percent of profits to be taxed.

## 5.4 NON-FISCAL INVESTMENT INCENTIVES

Foreign investors and local investors who invest in any sector or product under the Act is entitled to non-fiscal incentives as follows:

- i. Investment guarantees and protection against state nationalization;
- ii. Free facilitation for application of immigration permits, secondary licenses and land acquisition;
- iii. Facilitation of business and partnership linkages; and
- iv. Investment advisory on Zambia's Investment Climate, regulatory regime and investment opportunities.

## 2. PRIORITY SECTORS

The following are the priority sectors:

### a) Manufacturing

- i. Food and beverage processing;
- ii. Wood and wood products processing;
- iii. Paper and paper products processing;
- iv. Chemicals, rubber and plastic products processing;
- v. Non-metallic mineral products processing;
- vi. Basic metal products processing and
- vii. Fabricated metal product processing.

### b) Agriculture

- i. Establishment of farm blocks across all 10 provinces;
- ii. Development of value chain from the farm to the market place;
- iii. Research and development in order to improve crop, livestock and fish varieties;
- iv. Development of crop and grain storage facilities and
- v. Establishment of fish feed plants, cold chain facilities and hatcheries.

### **Construction and establishment of infrastructure excluding renovation, expansion and refurbishment**

- i. Education: Construction of education and skills training institutions
- ii. Health: Construction of health centres' as defined under the Health Professions Act of 2009.
- iii. Housing: Development of fifty (50) or more houses erected or maintained under one management or control on land developed specifically for the citing of such houses in accordance with a comprehensive plan which provides for the laying out of roads and the furnishing and availability of services essential or ancillary to the use of such building as houses.
- iv. Agriculture: construction of crop and grain storage facilities.

## **Tourism**

- i. Construction and establishment of hotels;
- ii. Construction and establishment of convention centres;
- iii. Construction and establishment of exhibition centres;
- iv. Construction and establishment of museums;
- v. Construction and establishment of Theme parks;
- vi. Construction and establishment of art galleries;
- vii. Construction and establishment of theatres; and
- viii. Construction and establishment of a large retail complex containing a variety of ten or more stores, restaurants or other business establishments housed in a series of connected or adjacent buildings or in a single large building.

## **c) Energy and Water Development**

a) Energy: building, installation of power stations

b) Fuel:

- i Building and installation of processing and refinery plants for bio-fuel;
- ii Construction of petroleum refineries
- iii Construction of pipelines
- iv Construction of rural filling stations

c) **Water Supply**

- i Construction of Depots;
- ii Construction of Dams
- iii Construction of irrigation canals; and
- iv Construction of water and sewerage treatment plants



## 7. BANKING AND FINANCE

Zambia is served by a number of domestic and international banks, which are playing a positive role in its economic development. The commercial banks have a well-distributed network of branches with Automated Teller Machines (ATMs) across the country.

All major credit cards are accepted in urban areas. Visitors with VISA and VISA Electron cards can draw cash from VISA ATMs in Zambia. Traveller's Cheques (TC) and hard currency bank notes can be cashed at banks, large hotels or bureaux de change. (Note: proof of purchase of TCs is a prerequisite for cashing them in at these outlets).

There are no restrictions on the importation of foreign currency into Zambia but all cash and travellers' cheques should be declared on Customs Form T2 available from customs officers at the port of entry.

The following is a summary of Zambia's financial sector:

- i. 18 registered commercial banks with over 382 branches countrywide;
- ii. A range of non-bank financial institutions, which include:
  - a. 3 building societies,
  - b. 1 credit reference bureau,
  - c. 1 development finance institution,
  - d. 8 leasing and finance companies,
  - e. 1 savings and credit institution,
  - f. 34 microfinance institutions, and
  - g. 74 bureaux de change
- iii. Lusaka Stock Exchange with 25 listed companies and a market capitalization of about \$6 billion;
- iv. Yields of up to 26 percent and 20 percent on Government bonds and treasury bills, respectively;
- v. Lending rates averaging 26.7 percent in 2019; and
- vi. Other non-bank financial services include mobile money services through-out the country provided by mobile money agents.

The Government of Zambia aims to create a vibrant and globally competitive financial sector that drives high levels of investment into the country and boosts Zambia's position as a regional financial services hub.

## 7.1 BANKS REGISTERED IN ZAMBIA

Table 2: List of Registered Commercial Banks

S/N	Bank Name	Short Name	City	Telephone
1.	AB Bank Zambia Limited	AB BANK	Lusaka	+260 21 1-220835/36/38/40
2.	Access Bank Zambia Limited	ACCESS	Lusaka	+260 21 1-227956/222341
3.	African Banking Corporation Zambia Limited	ATLASMARA	Lusaka	+260 21 1-257970-6
4.	Bank of China (Zambia) Limited	BOC	Lusaka	+260 21 1-292159/238686
5.	Absa Bank Zambia PLC	ABSA	Lusaka	+260 21 1-366100-147
6.	Cavmont Bank Limited	CAVMONT	Lusaka	+260 21 1-360057
7.	Citibank Zambia Limited	CITIBANK	Lusaka	+260 21 1-44492/3
8.	Ecobank Zambia Limited	ECOBANK	Lusaka	+260 21 1-367340/250056
9.	First Alliance Bank Limited	FAB	Lusaka	+260 21 1-229303
10.	First Capital Bank Zambia	FCB	Lusaka	+260 21 1-368750-770
11.	First National Bank Zambia Limited	FNB	Lusaka	+260 21 1-366800/ 366827/366847
12.	Indo-Zambia Bank Limited	INDO - ZAMBIA	Lusaka	+260 21 1-224955/225080
13.	Investrust Bank PLC	INVESTRUST	Lusaka	+260 21 1-294682/5
14.	Stanbic Bank Zambia Limited	STANBIC	Lusaka	+260 21 1-370021/23
15.	Standard Chartered Bank PLC	STANCHART	Lusaka	+260 21 1-225018/222046
16	United Bank of Africa Zambia	UBA	Lusaka	+260971779718



## 8. LICENCES AND PERMITS

The Patents and Companies Registration Agency (PACRA) is the first port of call for local and foreign investors as it issues companies with certificates of incorporation. Thereafter, the Zambia Development Agency issues certificates of registration and provides investment, export, and business development incentives and guarantees. All companies in Zambia are expected to be assigned a Tax Payers Identification Number (TPIN) Certificates, which are issued by the Zambia Revenue Authority (ZRA) upon registration. Other sector-specific licenses and permits include:

- i. Immigration and work permits for foreign investors, which are issued by the Immigration Department.
- ii. Investments in a Game Management area require a permit from the Zambia Wildlife Authority.
- iii. Enterprises in the Tourism sector require a licence from the Zambia Tourist Board. The Ministry of Tourism, through the Hotels Board issues hotel licences.
- iv. Mining permits and licences are issued by the Ministry of Mines and Mineral Development. These include licences for large-scale and small-scale mining, prospecting licences and permits, retention licences, gemstone licences, gemstone sales certificates, artisan mining rights and reconnaissance permits.
- v. Banking and other financial sector licences/permits issued by the Bank of Zambia
- vi. Aviation and road licences issued by the Department of Civil Aviation and the Road Transport and Safety Agency (RTSA), respectively.
- vii. Licences issued by the Energy Regulation Board (ERB) for investments in the Energy sector.
- viii. Medicines and Food & Drug safety licences issued by the Zambia Medicines Regulatory Authority (ZMRA) and the Food and Drugs Board respectively.
- ix. Radio and Telecommunications licences issued by the Zambia Information Communication Technology Authority (ZICTA).
- x. Environmental licences issued by the Zambia Environmental Management Agency (ZEMA).
- xi. Wholesale, Manufacturers, and Agents licences, which are issued by the local councils.

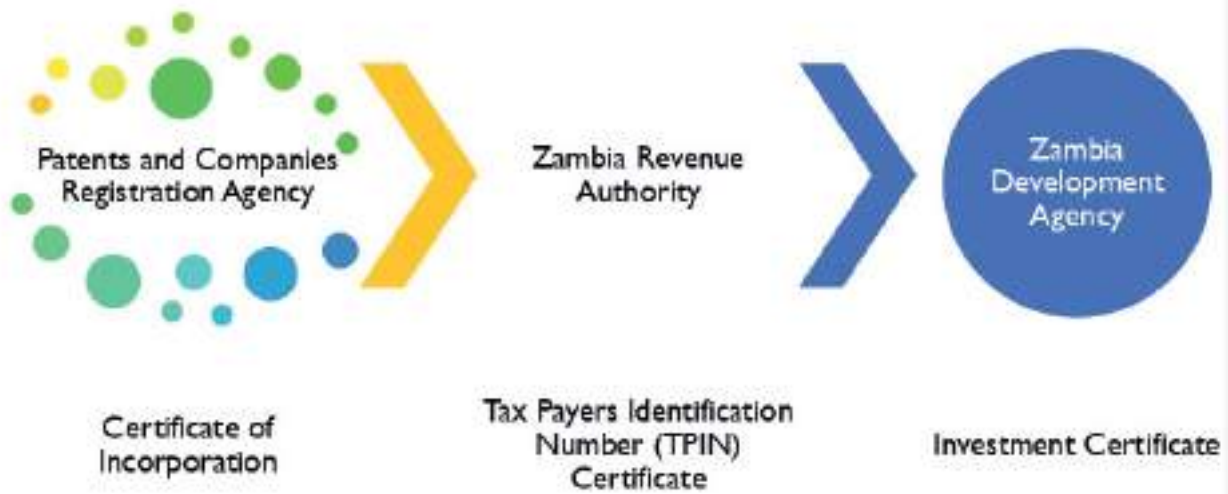
## 9. LEISURE AND ENTERTAINMENT

Zambia is regarded as one of the most peaceful, beautiful, friendly, and multi-cultured countries on the African continent. Apart from the majestic Victoria Falls, the country has more natural water resources than any other Southern African country, including a myriad of other waterfalls spread across the country. The natural resources provide adventure sports and water-based tourist activities. Other tourist marvels include vast lakes and rich rivers, museums, and game parks. Popular facilities include sports clubs, shopping malls, and camp sites.






For the young at heart, cosmopolitan cities such as Lusaka, Kitwe, Ndola, and Livingstone offer an unforgettable night-life experience with their world-class hotels, cinemas, theatres, casinos and nightclubs, which host dancing, live music and floorshows, particularly during week-ends.

# APPENDIX I: STEPS TO BUSINESS ESTABLISHMENT

## 1.0 Primary Registration and Licenses



## 2.0 Utilities and Secondary Licenses

-  ZESCO  
• Electricity
-  Immigration Department  
• Immigration/work Permits
-  Local Authorities  
• Business Levy  
• Fire Certificate  
• Health Permits
-  Zambia Environmental  
• Environmental licenses
-  Zambia Information and Communications Agency  
• Telecoms Licences
-  National Pension Scheme Authority



## APPENDIX II: APPLICATION PROCESS AT ZDA

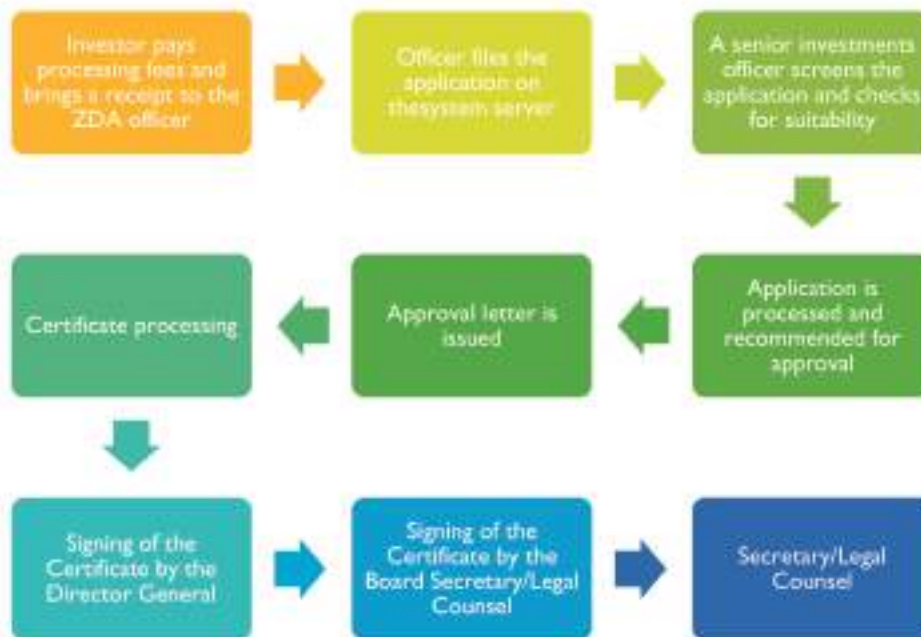
### Step 1: Consultation

General consultation through a meeting with a ZDA officer

Investor prepares necessary documents and submits to ZDA officer

Investment Promotion officer reviews documents and advises if there are any missing documents. For complete applications, investor proceeds to the next step

### Step 2: Submission of application



### Step 3: Issuance of ZDA CoR within 30 days



Certificate of Registration is issued to the Investor

## Zambia Development Agency Online Portal

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The Zambia Development Agency (ZDA) online portal provides for services accessible online such as the following:

- Application for Certificate of Registration - Investor
- Application for Multi Facility Economic Zone (MFEZ) Developer license
- Application for Multi Facility Economic Zone (MFEZ) Operator Permit
- Application for Certificate of Registration – Small and Medium Enterprise

Benefits of the online portal include:

- Reduced turnaround time
- Reduced costs
- Electronic payments
- Multi device access
- Enhanced efficiency
- No physical contact
- Convenient; and
- Mobile & user friendly

Steps to access and utilize the ZDA on-line portal are as follows:

- Step 1 – log on to the ZDA website [www.zda.org.zm](http://www.zda.org.zm)
- Step 2 – click on the online portal link
- Step 3- Open the Application Form and fill in according to the instructions
- Step 4 – Submit the filled in Application; and
- Wait 24 hours to get your license!

For more information contact the Zambia Development Agency on [info@zda.org.zm](mailto:info@zda.org.zm), visit our website [www.zda.org.zm](http://www.zda.org.zm)



## APPENDIX III: PROCEDURE FOR MFEZ LICENCE, INDUSTRIAL CLUSTER OR RURAL AREA PERMIT



How does a company qualify to operate in an MFEZ?



Investor engages with Zone Developer or Zone Management Entity for leasing of land



Investor enters into Lease Agreement with Zone Developer



Zone Developer or Zone Management Entity recommends to the ZDA that the Investor be issued with an MFEZ Permit to operate in the Zone/ Industrial Park



Company submits application for an MFEZ Operator Licence



Company pays K100 (US\$10) upon collection of MFEZ operator licence, which takes approximately 10 days from date of application



The application is then submitted to the ZDA Board for approval



Once application is approved, the ZDA Board issues Applicant with an MFEZ Licence



## ACCOMPANYING DOCUMENTS FOR MFEZ OPERATOR LICENCE

Certified copy of company registration/incorporation

Certified copy of certificate of share capital

Certified copy of the list of shareholders and/or directors

Business plan and/ or feasibility study

Verifiable evidence of project finance

Brief resumés/CVs for shareholders and /or directors

Letter from MFEZ Developer welcoming the project to be located in the MFEZ/industrial cluster or rural area

Clear statement on how the project, if approved, will contribute to the country's economic growth and development.

## 11.0 APPENDIX 2 – USEFUL CONTACTS

### **Zambia Environmental Management Agency**

P.O. Box 35131, Lusaka  
Tel: +260 211 2541301/  
Fax: +260 211254164  
Email: [zema@zema.org.zm](mailto:zema@zema.org.zm)  
Website: [www.zema.org.zm](http://www.zema.org.zm)

### **Lusaka Stock Exchange**

P.O. Box 34523 Lusaka  
Tel: +260 211 228537/ 228391  
Fax: +260 211225969  
E-mail: [luse@zamnet.zm](mailto:luse@zamnet.zm)

### **Patents and Companies Registration Agency**

P.O. Box 32020, Lusaka  
Tel: +260 211255127255127/  
Fax: +260 211 255426  
Email: [pro@pacra.org.zm](mailto:pro@pacra.org.zm)  
Website: <http://www.pacra.org.zm>

### **Zambia National Tourist Board**

P.O. Box 30017 Lusaka  
Tel: +260 211 222714, Fax: +260 211 225174  
E-mail: [zntb@zamnet.zm](mailto:zntb@zamnet.zm),  
Website: [www.zambiatourism.com](http://www.zambiatourism.com)

### **National Pension Scheme Authority**

Levy Business Park  
Cnr. of Church and Kabelenga Roads  
P O Box 51275, Lusaka  
Tel: +260 211 2280468/  
Fax: +260 211 221195  
Email: [infor@napsa.co.zm](mailto:infor@napsa.co.zm)  
Website: [www.napsa.co.zm](http://www.napsa.co.zm)

### **Immigration Department**

Kent Building  
P.O. Box 50300,  
Lusaka  
Tel: +260 211252650  
Fax: +260211254393/252008

### **Ministry of Commerce, Trade and Industry**

P.O. Box 31968, Lusaka  
Phone: +260 211 2283019-  
Fax: +260 211 226984  
Email: [mcti@gov.co.zm](mailto:mcti@gov.co.zm)  
Website: [www.mcti.gov.co.zm](http://www.mcti.gov.co.zm)

### **Zambia Development Agency**

P O Box 30819 Lusaka  
Tel: +260 211220177223859/  
Fax: +260 211 225270  
E-mail: [info@zda.org.zm](mailto:info@zda.org.zm)  
Website: [www.zda.org.zm](http://www.zda.org.zm)

### **Zambia Revenue Authority**

P.O. Box 35710, Lusaka  
Tel: +260 211 223754/ 2292148-  
Email: [advice@zra.org.zm](mailto:advice@zra.org.zm)  
Website: [www.zra.org.zm](http://www.zra.org.zm)



## 12.0 BUSINESS ASSOCIATIONS

### **Zambia Association of Chambers of Commerce & Industry**

P.O. Box 30844, Lusaka  
Tel: +260 211 252369  
Fax: +260 211 252483  
E-mail: [zacci@zamnet.zm](mailto:zacci@zamnet.zm)

### **Zambia Business Forum**

Plot 4 United Nations Ave. Long Acres  
P.O. Box 37202, Lusaka  
Tel: +260 211 257166/252063  
Fax: +260 211 257167

### **Zambia Federation of Employers**

P.O. Box 31941, Lusaka  
Phone: +260 211 29554182  
Fax: +260 211 295582  
Email: [zfe@zamnet.zm](mailto:zfe@zamnet.zm)

### **Zambia Association of Manufacturers**

P.O. Box 31992, Lusaka  
Tel: +260 211 229364/ 222709  
Fax: +260 211 229371  
E-mail: [zam@zamnet.zm](mailto:zam@zamnet.zm)

### **Zambia Export Growers Association**

P.O. Box 31705, Lusaka  
Tel: +260 211 221895  
Fax: +260 211 221895  
E-mail: [zega@zamnet.zm](mailto:zega@zamnet.zm)

### **Zambia National Farmers Union**

Showgrounds  
P.O. Box 30395 Lusaka  
Tel: +260 211 223222  
Fax: +260 211 222736  
E-mail: [znfu@zamnet.zm](mailto:znfu@zamnet.zm)

# Notes





## **Zambia Development Agency**


**Privatization House**

**Nasser Road**

**PO Box 30819, Lusaka, Zambia**

**Phone: +260 211 220 177 /223859**

 [info@zda.org.zm](mailto:info@zda.org.zm)

 [www.zda.org.zm](http://www.zda.org.zm)

  **PromoteZambia**

  **Zambia Development Agency**

## **Livingstone Office,**

**One Stop Shop Building- Museum Square,**

**Mosi-O-Tunya Road,**

**Livingstone**

## **Chipata Office**

**NATSAVE /ZESCO Building,**

**2nd Floor,**

**Corner of Jonathan and Perirenyatwa Road,**

**Chipata**

## **Ministry of Commerce, Trade and Industry**

**New Government Complex 8th, 9th and 10th Floors, Nasser Road**

**P.O. Box 31968 Lusaka , Zambia**

**Email Us: [info@mcti.gov.zm](mailto:info@mcti.gov.zm)**

**Call Us: +0211223617**

**Fax: +260211226984**