



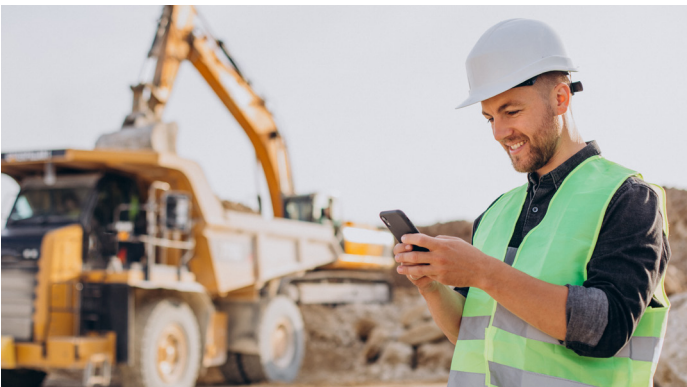
ZAMBIA
DEVELOPMENT
AGENCY

Investment for Prosperity



MINING SECTOR PROFILE

2024



www.zda.org.zm

Table Of Contents



1. Zambia Fact Sheet	2
2. Sector Overview	3
3. Investment Opportunities	3
3.1 Metallic Minerals	4
3.2 Critical Minerals and Energy Minerals	5
3.3 Zambia's Regional Comparative Advantage	5
4. Profiled Projects	6
5. Investment Incentives	7
5.1 Investment Incentives	7
5.1.1 Fiscal (Tax) Incentives	8
5.1.2 Non-Fiscal Investment Incentives	8
6. Licenses and Permits	9
APPENDIX	9
APPENDIX I: Steps to Business Establishment	9
APPENDIX II: Application Process at Zambia Development Agency	10
APPENDIX III: Procedure for Multi Facility Economic Zone license, Industrial Cluster or Rural Area Permit	11
APPENDIX IV: Useful Contacts	13



1. ZAMBIA FACT SHEET



Population (2022)
19.6 million



Annual GDP
Growth Rate (2023)
5.8 %



Average
Exchange Rate
(2023)
ZMW 1 = USD 20.21



Inflation Rate
(March, 2024)
13.7 %



Land-Linked Country
8 + 1 Neighboring
Countries

**Malawi, Botswana,
Zimbabwe,
Tanzania, DRC,
Angola, Namibia,
Mozambique and
South Africa**



Member of the
Southern African
Development
Community

**SADC Population =
345 million**



Member of the
Common Market for
Eastern and Southern
Africa

**COMESA Population =
560 million**



**Trade Surplus (2023):
USD 306.8 million**



**Working-age
Population (2022)
10.4 million**



**Ease of getting credit (2021)
Africa: 1st, World: 4th**



2. SECTOR OVERVIEW

With over ninety years of mining history, mining has been the backbone of the Zambian economy with the sector contributing 13.7 percent to Gross Domestic Product (GDP) in 2023. The domestic economy has predominately been dependant on copper mining and is currently producing 4 percent (800,000 metric tons) of the world's copper.

Zambia's endowment of mineral resources is substantial with the mining sector contributing 30 percent of Government revenue and the mineral wealth includes metals, gemstones, industrial minerals, building and critical minerals, with the mining of metallic minerals dominating the mining sector. Nevertheless, the full potential of these and other known mineral deposits is yet to be realised creating greater exploration opportunities.



3.0 INVESTMENT OPPORTUNITIES

The Zambian geological terrain encompasses diversity ranging from a stable early Proterozoic craton to structurally intricate "mobile belts" and younger cover rocks, hosting considerable potential for exploration. Approximately 50 percent of the country has been mapped, including the investigation mapping of the Western and North-Eastern parts of the country.

The complex geological evolution of Zambia together with its abundant variety of critical minerals and other natural mineral deposits confirm the considerable potential for discovery of new resources through exploration. Potential sites are being identified through modern scientific methods by numerous exploration companies working throughout the country.

The country's broad spectrum of mineral resources such as copper, cobalt, gold, gemstones, a variety of industrial minerals and potential energy resources including uranium,

coal and hydrocarbons, present excellent investment opportunities in the extraction and processing of these minerals. Particularly, given that Government is positively skewed towards the promotion of value addition to critical minerals such as copper through the introduction of incentives in the mining sector.

Tremendous opportunities exist for investment in large-scale exploration and value addition to mining products such as copper and other minerals. Government aims to significantly increase copper production from 800, 000 Mt to 3 million Mt per year by 2032 as espoused in the Eighth National Development Plan (8NDP). This ambitious goal further presents investment opportunities in copper exploration. Investment in mining and exploration technology and the supply of mining equipment and machinery also present immense opportunities for investment in the mining sector.



3.1 METALLIC MINERALS

Metallic minerals are minerals that are ductile and malleable and contain one or more forms of metals in a definite composition. These minerals include copper, tin, iron, manganese, zinc, and gold. Majority of the gold deposits in Zambia are in the Mwembeshi Shear Zone. Significant gold deposits also occur with copper and uranium in major thrust zones near the base of the Katanga succession. More than 300 gold occurrences have been recorded, however most were only prospects, presenting an opportunity for gold exploration.

Apart from the Copperbelt province, copper has been discovered in the North-Western part of Zambia, which represents zones of detachment between Basement and Katanga sequences, and in Western and Central Zambia through the lower Katanga succession have generated considerable deposits. Other copper deposits have been found in the Mkushi area in Central Zambia and in Lusaka Province.

In the past, Zinc ore has been mined from Kabwe in Central Zambia to Kapiri Mposhi in the North. Other deposits have been discovered on the

Copperbelt and in the Lower Kundelungu. rocks in Western Zambia. Exploration efforts continue to discover more deposits throughout the country.

Substantial resources of iron ore have been identified, occurring primarily as sedimentary ironstones in Central and Western Zambia. Total deposits of more than 900Mt have been estimated, with some individual deposits of about 200Mt distributed throughout these regions.

Occurrences of manganese are numerous but mostly found as small deposits around the country. Currently, small scale mining is being done in Mansa in Luapula Province. Occurrences are also known to occur around Central Zambia, stretching towards the North.

Nickel is known to occur in the South and East of Lusaka. Deposits in Mwashia and North-Western Zambia show evidence of hydrothermal enrichment. Minor platinum group elements are produced as a by-product of copper refining on the major Copperbelt mines and in the Munali deposit, South of Lusaka.

3.2 CRITICAL MINERALS AND ENERGY MINERALS

Critical minerals are naturally occurring substances that are essential to modern technology and economic development. In Zambia critical minerals include Lithium, Graphite, Nickel, Cobalt, Copper, Manganese, Sugilite, Gold, Uranium and Rare Earth Elements (REE). Apart from Copper and Cobalt, deposits of Lithium, Manganese, Nickel and other critical minerals have been discovered across the country. Total world demand for critical minerals is set to increase to 3 billion metric tons per year by 2050. This presents massive opportunities in the exploration and extraction of critical minerals in Zambia.

Government has designated an Industrial Park on the Copperbelt Province for the manufacturing and assembly of Electric Vehicle Batteries (EVBs). The establishment of this Special Economic Zone (SEZ) presents opportunities in the manufacturing and assembly of parts for Electric Vehicles (EVs) and EVBs.

Opportunities also exist in the manufacturing of other critical mineral-related products such as solar panels, wind turbines, magnets from REEs and electronics.

Energy minerals are minerals that naturally occur in the earth's crust which can be used as sources of energy. These types of minerals include coal, oil, natural gas and uranium. Three significant

types of uranium occurrences have been recorded in Zambia, in Karoo sandstones associated with the copper mineralisation of the Copperbelt as well as in the structurally controlled mineralisation of North-Western Zambia.

Zambia possesses substantial coal resources and has been producing coal since 1967 from Maamba deposit. Other known coal occurrences are confined exclusively to the lower-Karoo Gwembe Formation within a series of fault-controlled basins that comprise the Mid-Zambezi Rift Valley. Additional reserves have been identified in the Gwembe formation of the Luangwa and Luano-Lukusashi Valleys and in the Eastern part of the Barotse Basin in Western Zambia.

Carbonaceous rocks with oil generating potential are present in the Luangwa and Mid-Zambezi Valleys. Recent exploration work for petroleum covering parts of North-Western, Western and Eastern Provinces of Zambia, using modern exploration techniques indicated that the North Luangwa basins have potential for oil and gas. The above present various opportunities in the exploration, extraction and processing of minerals in Zambia. Opportunities also exist in geological skill development, investment in mining and exploration technology, investment in research and development and the supply of mining equipment and machinery.

3.3 ZAMBIA'S REGIONAL COMPARATIVE ADVANTAGE

Zambia being a land-linked country with 8 + 1 neighbouring countries and a member of the Regional Economic Communities (RECs) SADC and COMESA avail the country with opportunities to excel in comparison with its neighbours by harnessing its comparative advantages. The following are a few of Zambia's comparative advantages in the mining sector;

- i. The country has relatively experienced peace and a stable political and economic environment;
- ii. Government has provided incentives to enable the growth of the mining sector in Zambia;

- iii. Zambia holds an abundance of naturally occurring mineral resources necessary for mining;
- iv. Zambia holds an abundance of naturally occurring critical minerals;
- v. The country ranks 2nd in African copper output; and
- vi. Zambia produces 40 percent of the world's emeralds.

4. PROFILED PROJECTS

For existing profiled projects in the sector, please scan the QR code.



5. INVESTMENT INCENTIVES

Investors who wish to invest in a priority sector or a rural area are eligible for incentives as provided

for in the Investment, Trade and Business Development (ITBD) Act No. 18 of 2022.

Table 2: Eligibility Criteria

Investor Type	Shareholding Structure	Investment Threshold
Local Investor	100 percent shareholding	USD 50,000
Citizen owned Company	50.1 percent or greater Zambian shareholding	USD 100,000
Citizen Empowerment Company	25.1 percent-percent Zambian shareholding	USD 150,000
Citizen Influenced Company	5 percent – 25 percent Zambian shareholding	USD 500,000
Foreign Investor	100 percent foreign shareholding	USD 1000,000

Source: Investment, Trade and Business development (ITBD) Act No. 18 of 2022

5.1 INVESTMENT INCENTIVES

The Investment, Trade and Business development (ITBD) Act No. 18 of 2022 offers the following fiscal

incentives for companies investing in any priority sector or rural area:

5.1.1 FISCAL (TAX) INCENTIVES

Investors investing in the Mining Sector are entitled to the following fiscal (tax) incentives;

- i. Accelerated depreciation on capital equipment and machinery including trucks and specialized motor vehicles for five years;

- ii. Duty-free on the import of machinery, equipment including trucks and specialized motor vehicles for five years;

5.1.2 NON-FISCAL INVESTMENT INCENTIVES

Investors investing in the Mining Sector are entitled to the following non-fiscal incentives under the Investment, Trade and Business Development Act no.18 of 2022;

- i. Investment guarantees and protection against state nationalization;
- ii. Free facilitation for the 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.

5.2 SECTOR SPECIFIC FISCAL (TAX) INVESTMENT INCENTIVES

- i. Guaranteed input tax claim for 10 years on pre-production expenditure for exploration;
- ii. Dividends paid by a mining company holding a mining license and carrying out mining operations taxed at 0 percent;
- iii. Twenty-five percent mining deduction on capital expenditure on buildings, railway lines, equipment, shaft sinking or any similar work; and

- iv. Zero rating of Value Added Tax (VAT) for selected capital equipment and machinery listed in the schedule supplied to a holder of a large-scale mining license.



SPECIFIC DOWNSTREAM FISCAL (TAX) INVESTMENT INCENTIVES

- i. Zero import duty on plant, equipment and machinery;
- ii. One hundred percent accelerated depreciation on plant, equipment and machinery;

- iii. Capital allowance deductions on mining machinery and plant; and
- iv. SEZ incentives applicable for plants set in Zones.

6. LICENSES AND PERMITS

Licenses regulate and stipulate various conditions under which the licensed undertakings should operate. In order to operate a business in Zambia, an investor must obtain authorizing documentation from the following;

- i. The Patents and Companies Registration Agency (PACRA) in order to obtain a Certificate of Incorporation; and
- ii. Zambia Revenue Authority (ZRA) which assigns Tax Payers Identification Number (TPIN) Certificates.

For an investor to operate in the Mining Sector, they may also be required to obtain licenses and

permits from the Zambia Environmental Management Agency (ZEMA), Large-scale or Small-scale mining licenses, Gemstone license and a Mining license from the Ministry of Mines and Minerals.

Investors may opt to obtain a Certificate of Registration (CoR) from the Zambia Development Agency (ZDA), which is a statutory body mandated by Government to promote and facilitate trade, investment and business development.

APPENDIX I: STEPS TO BUSINESS ESTABLISHMENT

1.0 PRIMARY REGISTRATION AND LICENSES



2.0 UTILITIES AND SECONDARY LICENSES

- 
 Zambia Electricity Supply Corporation (ZESCO)
 - Electricity
- 
 Immigration Department
 - Immigration/work Permits
- 
 Local Authorities
 - Business Levy
 - Fire Certificate
 - Health Permits
 - Occupancy Licence
- 
 Zambia Environmental Management Authority
 - Environmental licenses
- 
 Zambia Information and Communications Technology Agency
 - Telecoms Licences
- 
 National Pension Scheme Authority

APPENDIX II: APPLICATION PROCESS AT ZAMBIA DEVELOPMENT AGENCY

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



Investor pays processing fees and brings a receipt to the ZDA officer

Officer files the application on the system server

A senior investments officer screens the application and checks for suitability

Certificate processing

Approval letter is issued

Application is processed and recommended for approval

Signing of the Certificate by the Director General

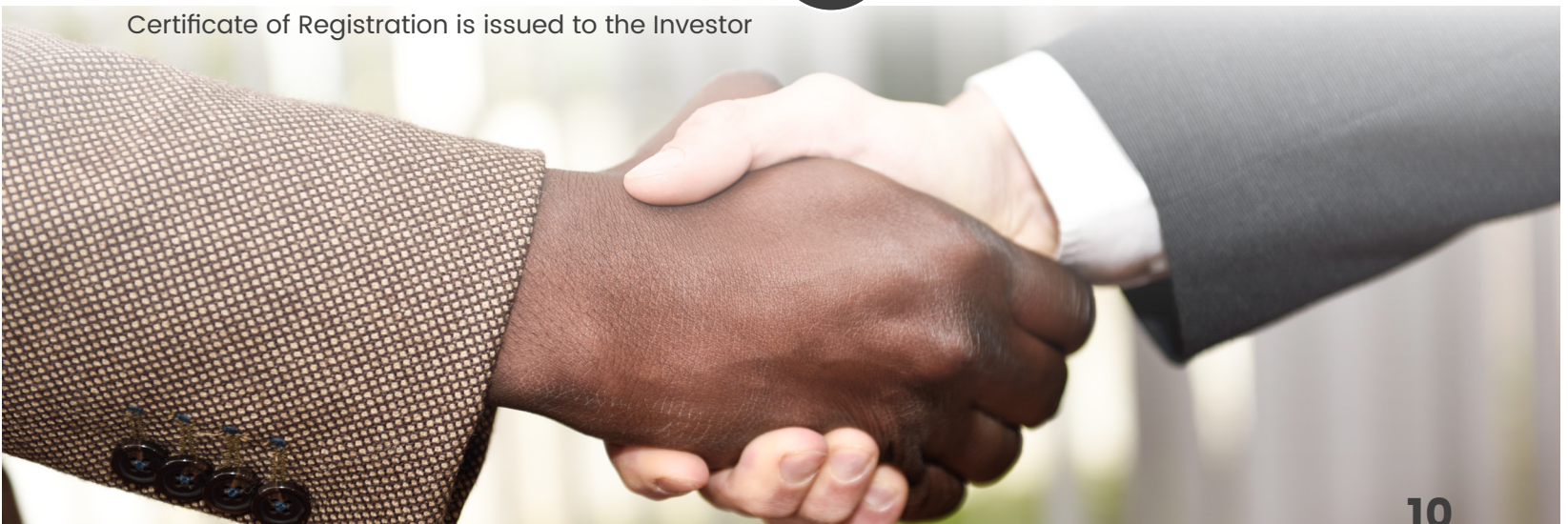
Signing of the Certificate by the Board Secretary/Legal Counsel

Secretary/Legal Counsel

STEP 3: ISSUANCE OF ZDA COR WITHIN 30 DAYS



Certificate of Registration is issued to the Investor



APPENDIX III: PROCEDURE FOR MULTI-FACILITY ECONOMIC ZONE LICENCE, INDUSTRIAL CLUSTER OR RURAL AREA PERMIT

How does a company qualify to develop an MFEZ?

Company identifies land for the development of the MFEZ and seeks approval in principle from ZDA for an area that is suitable

Once approval of suitability is obtained, Company prepares a master plan of the MFEZ

Company submits application for MFEZ Development Permit to ZDA. Application must demonstrate that the project will generate an investment of not less than US\$500,000

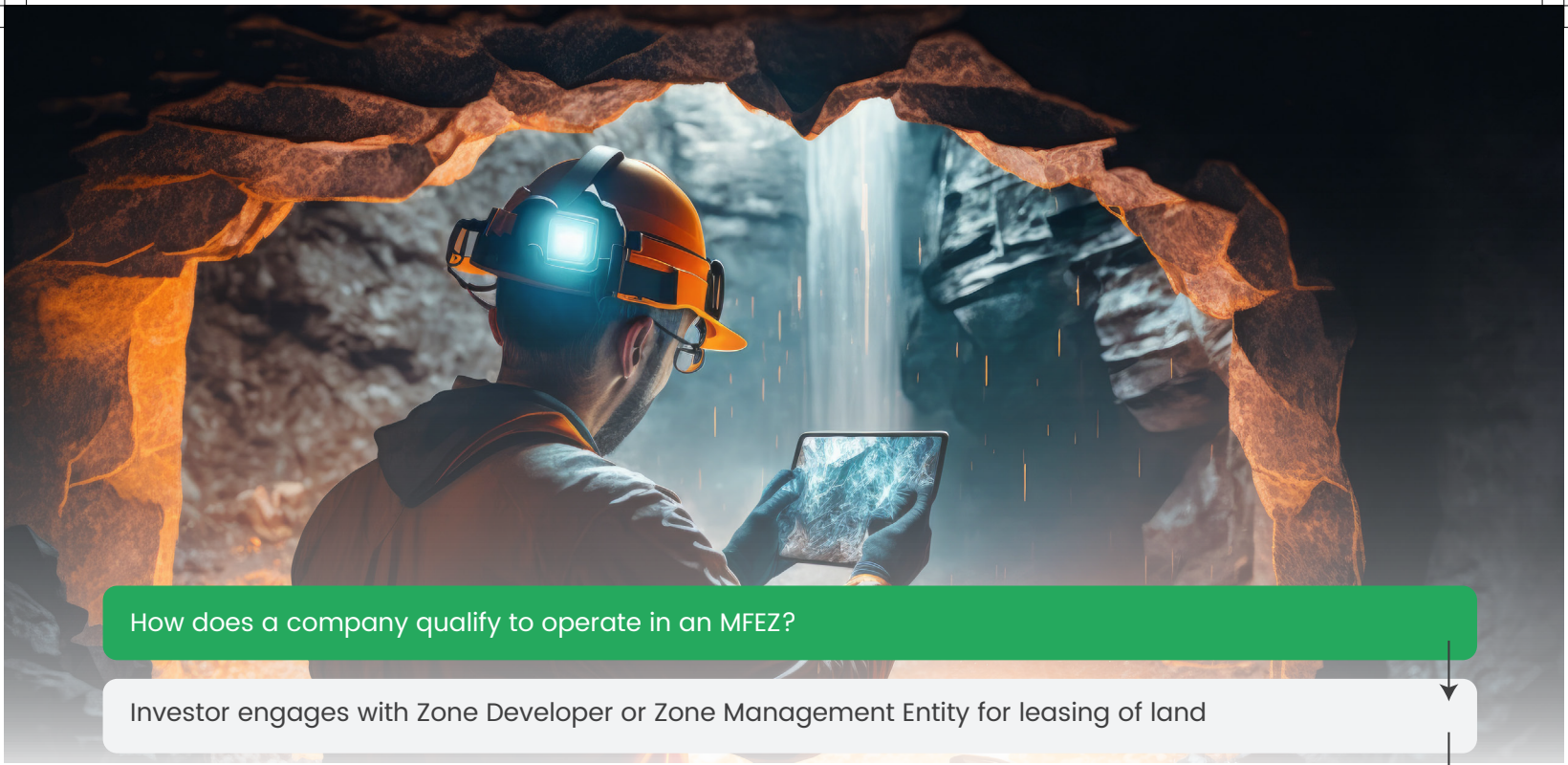
ZDA scrutinizes the application with a multisectoral team of local experts, in consultation with the applicant company

The application is then submitted to the ZDA Board for approval

Once the application is approved, ZDA recommends to the Ministry of Commerce that it should issue a Statutory Instrument for declaring the MFEZ

The projects located in the MFEZ that will qualify for incentives are those with investments of US\$500,000 or more. They must be engaged in production of the following products in priority sectors: Floricultural and horticultural products, Processed foods, Beverages and stimulants – tea and coffee, Textiles – cotton, cotton yarn, fabrics and garments, Engineering products – copper products, iron ore, steel and cobalt, Leather products





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.

APPENDIX IV: USEFUL CONTACTS

Zambia Environmental Management Agency

P.O. Box 35131, Lusaka
Tel: +260 211 2541301/
Fax: +260 211254164
Email: zema@zema.org.zm
Website: 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

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
Website: www.mcti.gov.co.zm

Patents and Companies Registration Agency

P.O. Box 32020, Lusaka
Tel: +260 211255127255127/
Fax: +260 211 255426
Email: pro@pacra.org.zm
Website: www.pacra.org.zm

Zambia Development Agency

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

Zambia National Tourist Board

P.O. Box 30017 Lusaka
Tel: +260 211 222714
Fax: +260 211 225174
E-mail: zntb@zamnet.zm
Website: www.zambiatourism.com

Zambia Revenue Authority

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

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
Website: www.napsa.co.zm

