



ZAMBIA
DEVELOPMENT
AGENCY

Investment for Prosperity



TOURISM SECTOR PROFILE

2024

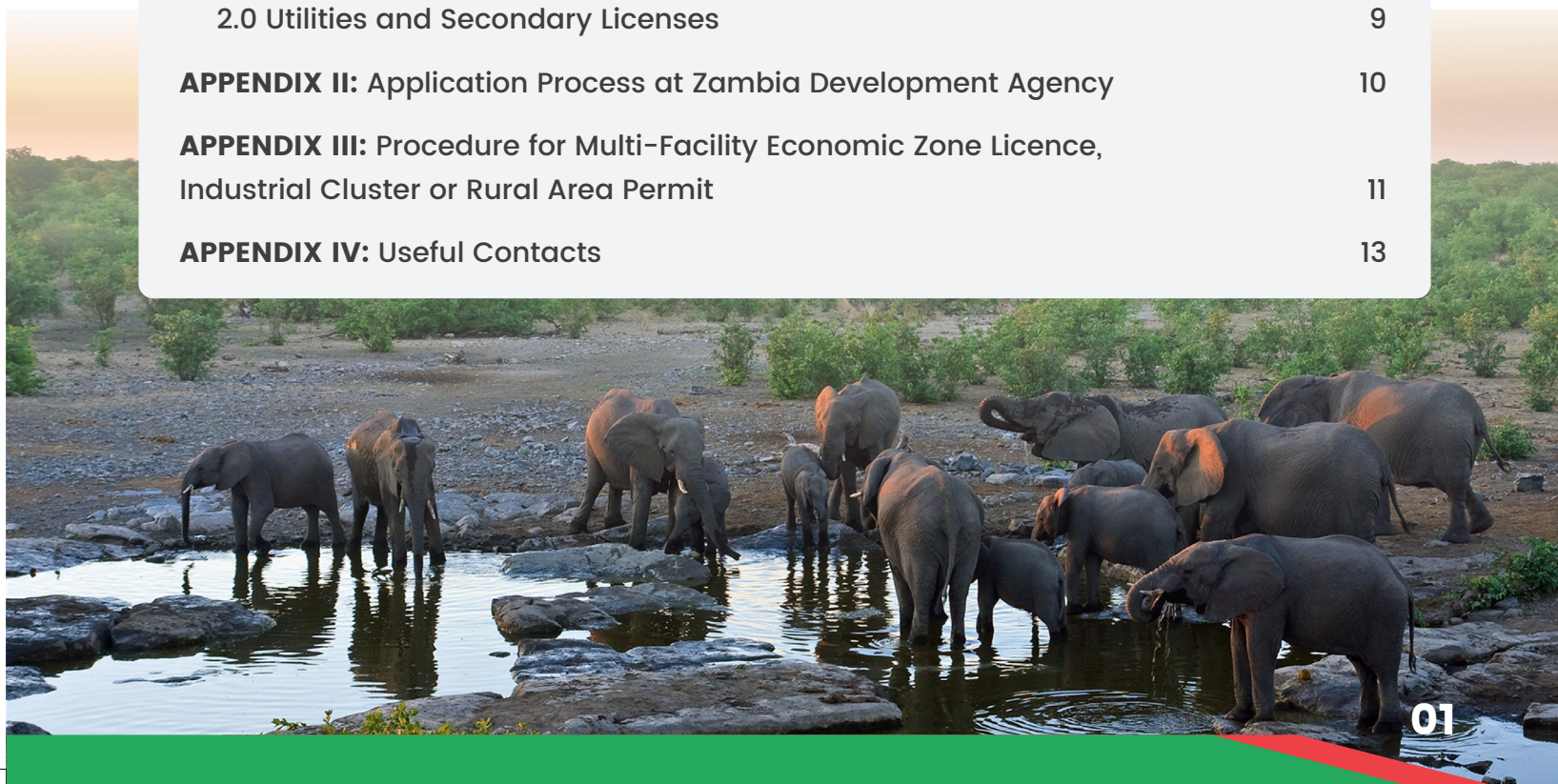


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1. ZAMBIA FACT SHEET



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

As espoused in the Eighth National development Plan (8NDP), tourism is one of the priority sectors in Zambia, owing to its potential to contribute significantly to economic growth, job creation and foreign exchange earnings. The sector contributed 9.9 percent to the country's Gross Domestic Product (GDP) in 2022.

Over the years, Zambia has strategically positioned itself as a prime tourist destination, due to its diverse natural beauty, wildlife, stunning landscapes and rich cultural heritage. It is centrally located in Southern Africa surrounded by eight neighboring countries.

The tourism industry plays a major role in the domestic economy. The sector recorded an increase in the number of international tourist visitors in 2022 by 91.4 percent from 554,200 during the same period in 2021. One of the key factors for its growth is the government's commitment to liberalize and open up the sector to private investment.

The adoption of policies that encourage private sector participation has led to increased infrastructure development; improved services; fostering innovation; investment attraction; creation of a conducive business environment; and enhancing overall competitiveness. These policies have resulted in a surge of investments in hotels, resorts, and other tourism-related ventures, boosting the overall tourism experience.

Zambia's rich natural resources, including the iconic Victoria Falls, diverse national parks, and the captivating Zambezi River, have served as magnets for both domestic and international tourists. A wide range of tourist attractions, from

adventure tourism activities such as: bungee jumping; white-water rafting; wildlife safaris; and cultural experiences have been developed. These attractions have been effectively marketed to a global audience, contributing to the steady rise of visitors.

The liberalization of air travel has played a crucial role in enhancing accessibility to Zambia. The open skies policy and the establishment of partnerships with international airlines have led to increased connectivity, making it easier for tourists to reach Zambia. Improved air access has not only facilitated the movement of tourists but has also stimulated economic activities related to tourism, such as the hospitality and transportation sectors.

Further, the waiver of tourist visa requirements for citizens from selected countries contributed to a 22 percent increase in international tourist arrivals in the first half of 2023 from 496,456 during the same period in 2022. The implementation of e-visa systems has streamlined entry processes for tourists, making Zambia more attractive as a travel destination. These policies have contributed to the ease of travel, thereby encouraging more visitors to explore the country's diverse tourism attractions.

Government's commitment to fostering private sector involvement, coupled with the development of key infrastructure and marketing strategies, has transformed Zambia into a competitive and sought-after destination. As the country continues to take advantage of its natural and cultural assets, the future of Zambia's tourism sector is promising, with the potential for sustained growth.

3. SECTOR OPPORTUNITIES

To cater to the diverse needs of tourists, several investment opportunities in the sector are available. These include:

I. DIVERSE INVESTMENT OPPORTUNITIES IN ECO-TOURISM

Investment opportunities are available in eco-tourism, rich biodiversity and national parks, presenting opportunities for eco-friendly tourism

ventures such as guided safaris, birdwatching tours and nature walks.



II. INFRASTRUCTURE DEVELOPMENT AS A CATALYST FOR TOURISM GROWTH

Other investment opportunities are also available in infrastructure development such as improving transportation infrastructure like roads, airports,

ports and public transportation to enhance accessibility to tourist destinations.

IV. INVESTING IN ADVENTURE TOURISM EXPERIENCES

Investment opportunities in cultural tourism such as traditional dance performances, festivals, and

visits to historical sites can appeal to cultural enthusiasts.

III. DIVERSE INVESTMENT OPPORTUNITIES IN CULTURAL TOURISM

Developing adventure activities like whitewater rafting, bungee jumping, zip-lining, and abseiling can attract adrenaline-seeking tourists which

presents investment opportunities in adventure tourism.

V. ENHANCING SERVICE EXCELLENCE THROUGH HOSPITALITY TRAINING INVESTMENTS

The sector further presents investment opportunities in hospitality training and development. Investing in training programs for hospitality staff could be

targeted at improving service quality and enhancing the overall tourist experience.

VI. INVESTMENT PROSPECTS IN WILDLIFE CONSERVATION TOURISM

Additionally, tourism in Zambia presents investment opportunities in wildlife reserves, sanctuaries, and conservation projects aimed at protecting endangered species and their habitats,

while also offering sustainable tourism experiences such as wildlife safaris and birdwatching tours to spur tourist visits.

VII. HARNESSING TECHNOLOGY FOR ENHANCED EXPERIENCES AND EFFICIENCY

Investment in tourism technology has great potential to enhance customer experiences, streamline operations, and improve marketing efforts. From virtual reality tours, to Artificial

Intelligence-powered chatbots and booking platforms adding to improvements in the tourism industry.

VIII. INVESTMENT PROSPECTS IN MEETINGS, INCENTIVES, CONFERENCES AND EXHIBITIONS (MICE) FACILITIES AND BUSINESS TOURISM

There are several investment opportunities in MICE facilities and business tourism in the country arising from its growing economy and potential as a tourist destination. The country has three (3) notable MICE facilities capable of accommodating more than 1500 delegates each.

These are; Kenneth Kaunda International Conference Centre in Lusaka; Mulungushi International Conference Centre in Lusaka, and The Lusaka International Conventional Centre in Chongwe.

IX. TRANSFORMING ZAMBIAN TOURISM BY INVESTING IN HOT AIR BALLOON ADVENTURES

Investment in hot air balloons for tourism purposes is unexploited in Zambia. An investment as this one can enhance the tourism sector. This would offer unique and thrilling ways for tourists to experience aerial views of the landscape,

providing memorable experiences and photo opportunities. Further, hot air balloon rides can attract visitors year-round, increasing returns on investment.

X. EXPANDING TOURISM THROUGH SKY LIFT INVESTMENTS

Investment in sky lifts is another opportunity that is untapped; cable cars or gondolas can significantly enhance the tourism experience by providing access to stunning views, in return

increasing accessibility to tourist attractions, and contributing to the economic development of the surrounding areas.

XI. EXPLORING UNTAPPED OPPORTUNITIES: INVESTING IN JET SKIS FOR ADVENTURE TOURISM

Significant investment potential exists for Jet Skis considering the country's abundant natural water resources such as the Zambezi River, Lake Kariba, and the many other lakes and rivers. Interest in

adventure tourism globally is growing, presenting a niche market for water sport lovers seeking new experiences. Hence, investing in jet skis could tap into this unexploited market.

3.1 ZAMBIA'S REGIONAL COMPARATIVE ADVANTAGES

Relative to its neighbors and the region, Zambia's tourism sector boasts several comparative advantages namely:

- i iconic natural attractions such as the Victoria Falls which is one of the seven natural wonders of the world;
- ii diverse wildlife including the big five (5) namely lions, elephants, buffalos, leopards, and rhinoceros;

- iii stable political environment ensuring the safety and security of tourists; and
- iv central location in Southern Africa serving as a convenient gateway for tourists exploring the wider region.

By utilizing these advantages, Zambia can be a leading destination for nature-based and adventure tourism in Africa.

4. PROFILED PROJECTS

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



5. 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 sectors or rural area:

5.1 ELIGIBILITY CRITERIA FOR INCENTIVES

The eligibility criteria for investment incentives for investors investing in a priority sector or rural area

are as indicated in the table 2.

Table 2: Incentive Eligibility Criteria

Investor Type	Shareholding Structure	Investment Threshold
Local Investor	100 percent shareholding	USD 50,000
Citizen owned Company	50.2 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: Zambia Development Agency

5.2 FISCAL (TAX) INVESTMENT INCENTIVES

The 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 SECTOR SPECIFIC FISCAL (TAX) INVESTMENT INCENTIVES

While the following incentives are specific to the Information and Communication Technology sector;

- i zero-rating of VAT on other tourist services provided to foreign tourists other than those included in tour packages;
- ii no import VAT on all goods temporarily imported into the country by foreign tourists.
- iii capital allowances at 50% of the cost of implements, plant or machinery;
- iv investment allowance at 10% of the cost of an extension to a hotel (being an industrial building);
- v 5% wear and tear allowance to an extension to a hotel (being an industrial building);
- vi 10% initial allowance on an extension to a hotel (being an industrial building) in the year the building is first brought into use; and
- vii income taxed at a reduced rate of 15% for hotels and lodge.



5.4 NON-FISCAL INVESTMENT INCENTIVES

Foreign and local investors who invest in any sector or product under the Act are 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.

6. LICENSES AND PERMITS

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.

The tourism sector is regulated by various authorities, and obtaining licenses and permits may vary depending on the specific activities involved. Some of the common licenses and permits required to operate in the tourism sector are as follows:

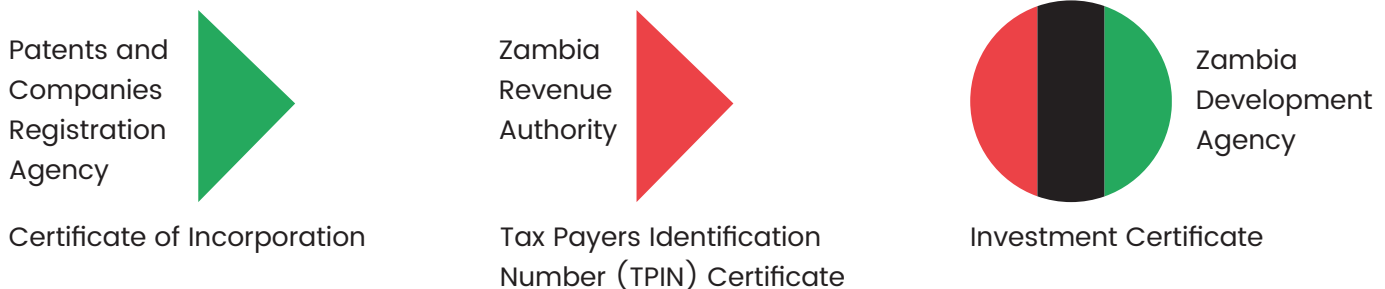
- i. Tour Operator License issued by the Zambia Tourism Agency (ZTA);
- ii. Lodge/Hotel License which is obtained from local authorities;

- iii. Game Management Area (GMA) Permit from the Department of National Parks and Wildlife (DNPW);
- iv. National Park Entry Permit from the Department of National Parks and Wildlife (DNPW);
- v. Fishing Permits from the Zambia Wildlife Authority (ZAWA);
- vi. Professional Guides Licenses obtained from the Zambia Tourism Agency (ZTA); and
- vii. Depending on the nature of the tourism business, the investor may need to obtain a general business license from local authorities, in addition to specific licenses related to tourism activities.

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

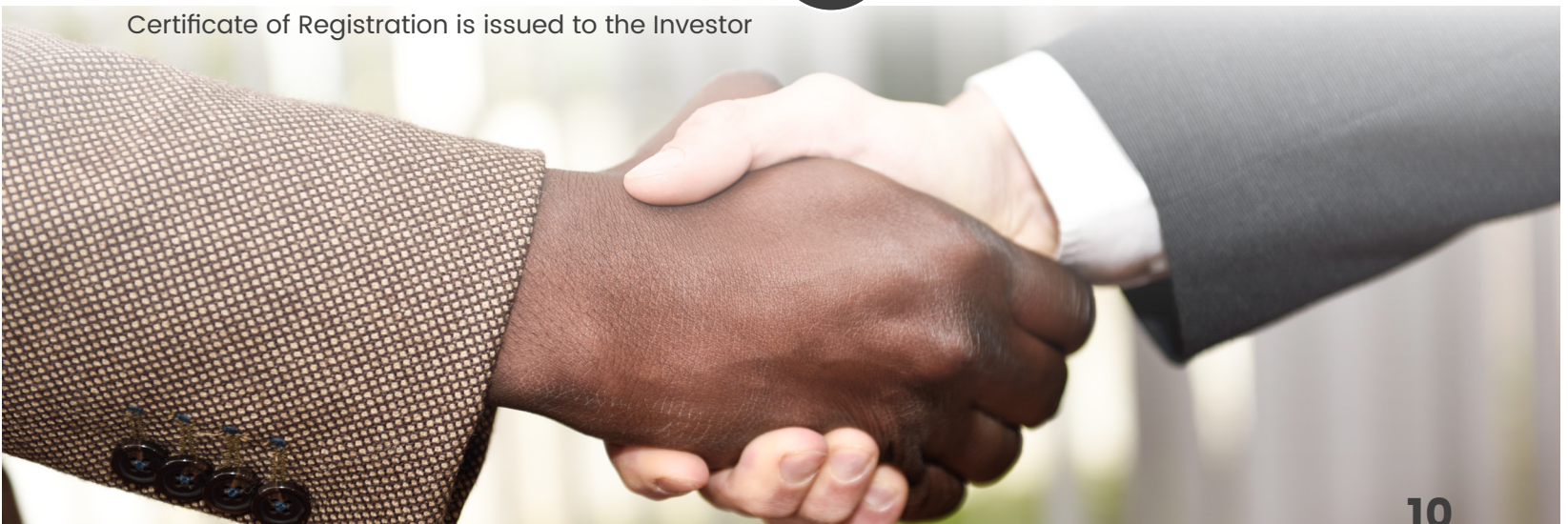
Signing of the Certificate by the Board Secretary/Legal Counsel

Secretary/Legal Counsel

STEP 3: ISSUANCE OF ZDA COR WITJIN 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

Zambia Association of Chambers of Commerce & Industry

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Zambia Business Forum Plot 4 United Nations Ave. Long Acres

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Zambia Federation of Employers

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