

# INVESTMENT GUIDE FOR ZAMBIA

## Agroprocessing and light manufacturing sectors



2018



# FOREWORD

## Foreword

The economy of the Republic of Zambia continued to recover in 2017 from the global economic slowdown which has had a negative impact on the country's historically strong minerals sector. The falling commodity prices and decreasing demand in destination markets have hurt the foreign direct investment and highlighted the need to diversify the economy. As a result, the Government of the Republic of Zambia has adopted strategies to stimulate growth locally, create employment opportunities and attain income equality. These include the outward-looking Seventh National Development Plan (7NDP) document presented in 2017 which calls on government and private sector to grow the agriculture, manufacturing and tourism sectors.

This investor guide has been developed with the purpose of boosting foreign direct investment in the agroprocessing and light manufacturing sectors of Zambia's economy. The intention here is to not only promote the country (and its policies) in order to make a case to encourage investments, but also provide potential investors with the information on the procedures that they will need to undertake in order to complete their investment transactions as seamlessly as possible.

It is anticipated that the information provided in this guide will encourage and strengthen greater investment in the presented sectors. We acknowledge the support of International Trade Centre (ITC), Partnership for Investment and Growth in Africa (PIGA) and the Government of the United Kingdom through UKAID for their support in developing these profiles. This initiative will aid the Zambia Development Agency (ZDA) tremendously in the promotion of the applicable sectors and their value chains effectively.

## ACKNOWLEDGEMENTS

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This investment guide has been produced under the framework of the Partnership for Investment and Growth in Africa (PIGA) project, which is a partnership between the Government of the United Kingdom (UK) of Great Britain and Northern Ireland's Department for International Development (DFID), the China Council for the Promotion of International Trade (CCPIT), the China-Africa Development Fund (CADFund) and the implementing agency, International Trade Centre (ITC). The project seeks to increase exports, jobs and local development through foreign investments and business partnerships in the agro-processing and light manufacturing sectors in Ethiopia, Kenya, Mozambique and Zambia.

The views expressed in this report are those of the authors and do not represent the official position of the International Trade Centre, Zambia Development Agency and the Government of the United Kingdom. The images used in this profile may not always reflect accurately the country context.

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## ACRONYMS AND ABBREVIATIONS

COMESA	Common Market for Eastern and Southern Africa
FDI	Foreign direct investment
GDP	Gross domestic product
MFEZ	Multi-facility economic Zone
PACRA	Patents and Companies Registration Agency
SADC	Southern African Development Community
TPIN	Taxpayer identification number
TAZARA	Tanzania Zambia Railway Authority
VAT	Value added tax
WTO	World Trade Organization
ZDA	Zambia Development Agency
ZEMA	Zambia Environmental Management Agency
ZRA	Zambia Revenue Authority



# INVESTING IN THE REPUBLIC OF ZAMBIA



# COUNTRY OVERVIEW

## 1. COUNTRY OVERVIEW

The Republic of Zambia is a sovereign state in Africa. It lies on the equator with the Democratic Republic of the Congo to the north, the United Republic of Tanzania to the north-east, the Republic of Malawi to the east, the Republic of Mozambique to the south-east, the Republic of Zimbabwe and the Republic of Botswana to the south, the Republic of Namibia to the south-west and the Republic of Angola to the west. It is a land-linked country, positioned as the centre of all economic routes to the east and west, north and south trade routes. It has an estimated population of 16.5 million people as reported in the CIA Country Sheet (2017).

The Republic of Zambia is a mature democracy and has enjoyed stability since gaining its independence from Britain on 24 October 1964. In 2015, the country amended its constitution that brought with it a robust and independent judiciary, legislature and devolution of powers across the three levels of government. The most fundamental provision in the Constitution of Zambia, is the establishment of a republic founded on the idea of all sovereign powers belonging to the Zambia people, based on equality, fairness and justice as its benchmark.

The Republic of Zambia, unlike most of its neighbours, has managed to avoid the war and upheaval that has marked much of Africa's post-colonial history, earning itself a reputation for political stability and a beacon of democracy. Additionally, the country has experienced rapid economic growth over the last decade as Africa's second-largest copper producer after the Democratic Republic of the Congo, although its over-reliance on copper has made it vulnerable to falling commodity prices. Hence the diversification policy that focuses in part on the light manufacturing and agroprocessing sectors as key economic drivers, due to availability of natural resources and good climatic conditions.

The Republic of Zambia has one of the world's fastest-growing populations, with the United Nations projecting that its population will triple by 2050. However, economic growth and massive Chinese investment have failed to improve the lives of most Zambians, with two-thirds still living in abject poverty.





## Basic Statistics: Zambia

Area:	I. Total: 752,618 m <sup>2</sup> II. Land: 743,398 m <sup>2</sup> III. Water: 9,220 m <sup>2</sup>
Capital:	Lusaka
Population:	15.972 million
Labour force (over 18 yrs):	7 060 607 (2017 est.)
Population growth:	2.93% (2017 est.)
GDP (nominal):	6.7%–3.4% (2016 est.)
GDP per capita (nominal):	\$3,900 (2016 est.)
GDP growth:	3.4% (2016 est.)
Inflation rate:	6.7% (consumer price) (2016)
FDI flows:	\$469 million
FDI inflow growth rate:	45.45% (2017)
Exports:	\$6.514 billion (2016 est.)
Imports:	\$6.539 billion (2016 est.)
Exchange rate (per USD):	10.3 (2016 est.)
Govt. expenditure:	ZMK 64.5 billion (27.7% of the GDP)
Govt. revenue:	ZMK 42.9 billion (2017 est.)
Currency:	Zambian Kwacha (ZMK)
Other major cities:	Lusaka, Kitwe, Livingstone, Ndola, Kasama, Chipata, Mongu and Solwezi
Language:	English 67.9%. Local languages: Bemba 33.4%, Nyanja 14.7%, Tonga 11.4%, Lozi 5.5%, Chewa 4.5%, Nsenga 2.9%, Tumbuka 2.5%, Lunda (north-western) 1.9%, Kaonde 1.8%, Lala 1.8%, Lamba 1.8%, Luvale 1.5%, Mambwe 1.3%, Namwanga 1.2%, Lenje 1.1%, Bisa 1%, other 9.7%, unspecified 0.2%
Religion:	Christianity, Islam and Hinduism
Climate:	Tropical, modified by altitude. The rainy season is October to April. The country has a warm and humid climate along its wildlife-rich savannah grasslands inland towards the capital. The vast land has a climate that gets colder approaching the major plateaus and escarpments. Further inland, there is a warm and humid climate and temperate forested and hilly areas in the western, northern and eastern regions. Lake Kariba and the Victoria Falls and other serene waterfalls provide with them a thicket forest and must-see sights.

# MODULE 1

## MODULE 1: WHY INVEST IN THE REPUBLIC OF ZAMBIA?

The Republic of Zambia is an attractive investment destination offering various lucrative investment opportunities in the tourism, agriculture, manufacturing, energy and mining sectors. The investment climate is characterized by a stable macroeconomic environment, political system, investment guarantees and security, duty-free access to regional, wider Africa and United States' markets and unrestricted repatriation of after-tax profits.

The Republic of Zambia has signed double taxation agreements with various European, North America, African and Asian countries. Hence, investors from such countries are not liable for tax in more than one country or territory. The government offers a well-balanced package of fiscal incentives in priority areas as well as additional negotiated benefits to strategic investments.

The Republic of Zambia has predictable laws and policies, with a government that is committed to investment and pursues a zero-tolerance policy against corruption. Local and foreign investors are treated equally. The people are highly peaceful and friendly. The Zambian economy is a well-advancing free market economy without price, exchange and interest controls. There is reduced or free import duty on certain raw materials and imports of capital machinery and equipment.

### 1.1. THRIVING ECONOMY

The Republic of Zambia is classified as a lower middle-income country and is one of the highest-performing economies in Sub-Saharan Africa, with strong growth indicators, supported by an emerging, youth-urban middle class population. Additionally, it is among the most dominant and stable economies in the Southern African community, contributing close to 50.7% of the region's GDP, positioning it as a 'to go to' business partner and offering land-linked opportunities in Africa. Further, the economy remains small by global standards and is distinguished from most African countries through the availability of raw materials and labour force. It is also one of the most diversified and advanced countries.

### 1.2. KEY MACROECONOMIC INDICATORS

The country's macroeconomic indicators have remained fairly stable, with the real gross domestic product (GDP) estimated to have maintained growth momentum for the 3<sup>rd</sup> consecutive year to expand at around 3.8% in 2018 compared to a revised growth of 4.7% in 2017. The economy has been experiencing a relatively conducive environment for growth during the last few years. (Source: <https://tradingeconomics.com/Zambia/gdp-growth-annual>.)

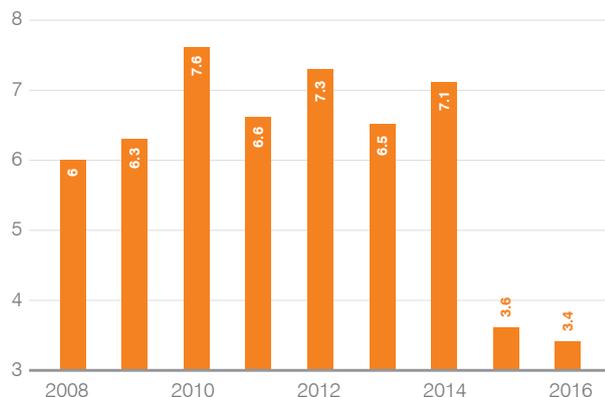
#### a) Gross Domestic Product

The Republic of Zambia's gross domestic product (GDP) has maintained growth for the 3<sup>rd</sup> consecutive year to expand at approximately 3.8% in 2018 as compared to a revised growth of 4.7% in 2017.

TABLE 1 The Republic of Zambia's GDP growth rate (2008–2016)

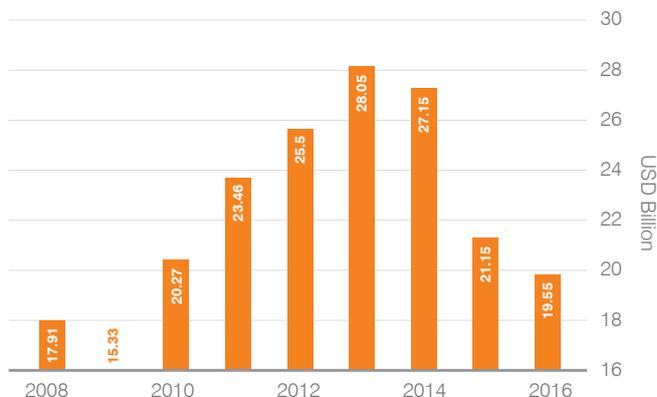
THE REPUBLIC OF ZAMBIA'S GDP	Last	Previous	Highest	Lowest	Unit	
GDP annual growth rate	3.40	3.60	16.65	-8.63	Percent	[+]
GDP	19.55	21.15	28.05	0.69	USD billion	[+]
GDP constant prices	216 826.00	183 381.00	216 826.00	2 240.00	ZMK, THO	[+]
GDP per capita	1 622.40	1 618.50	1 722.10	903.90	USD	[+]
GDP per capita PPP	3 636.10	3 627.20	3 636.10	2 025.80	USD	[+]

**FIGURE 1(a)** The Republic of Zambia's annual GDP growth rate



Source: Trading Economics – World Bank.

**FIGURE 1(b)** The Republic of Zambia's GDP in (USD)



Source: Trading Economics – World Bank.

Table 1 shows the Republic of Zambia's gross domestic product growth rate from 2009 to 2016.

**b) Sectoral contribution to GDP**

The manufacturing sector contributed 9.2% to the Republic of Zambia's GDP in 2016, after agriculture, which contributed a significant 32% to GDP. The small and medium-sized enterprises (SMEs) sector, which constitutes 70% of enterprises under manufacturing and agriculture, contributed 28.5% to the national economy in 2016.

**c) Foreign direct investment (FDI trends 2014–2016)**

The Zambia Development Agency (ZDA) announced that the Republic of Zambia recorded more than \$1.8 billion foreign direct investment (FDI) inflows in the first half (H1) of 2016. This represents a 20% increase compared with \$1.5 billion recorded in H1 2015. In terms of volume, the energy sector attracted most of the FDI followed by the agriculture and light manufacturing sectors respectively.

The growth in FDI inflows to the Republic of Zambia shows a positive trend for the economy despite the decrease in job creation in the same period. This investment volume represented a protected employment of 10,558 jobs in H1 2016 while H1 2015 totalled 7,433 jobs. According to the ZDA, these mixed results are due to well-sustained investor confidence and a conducive business environment in the country. An increased number of high-profile business activities held in the Republic of Zambia during H1 2016 are the tangible demonstration of the confidence in the country's economy, the ZDA highlighted.

The Zambia International Investment Forum, the Zambia International Energy Conference and the African Development Bank Annual Meeting were held in the country during the period H1 2016. These business activities confirm the Republic of Zambia's attractiveness as a destination of FDI as mentioned by the United Nations Conference on Trade and Development (UNCTAD) in its World Investment Report for 2016.

The Republic of Zambia is one of the best-performing countries in attracting FDI in Africa in 2015 despite a fall-over of 7% of FDI inflows to the continent in the same period. The Republic of Zambia, with \$1.7 billion, ranked within the top 20 FDI destinations in Africa out of the 54 countries that compound the continent. However, the volume of FDI inflows to the Republic of Zambia was down by 48% from the volume recorded in 2014.

The slowing in FDI is attributed to electricity shortages and uncertainties related to the mining tax regime, which continued to constrain the Zambian mining sector. Lower prices for copper (which accounts for more than 80% of the Republic of Zambia's exports), the collapse of the national currency and surging inflation also affected reinvested earnings. The United Nations Conference on Trade and Development (UNCTAD) indicates that, despite the current commodity crisis and power shortages, in 2015 the Republic of Zambia recorded one of the highest FDI inflows in the last six years.

**FIGURE 2** The Republic of Zambia's FDI performance (2008–2016)



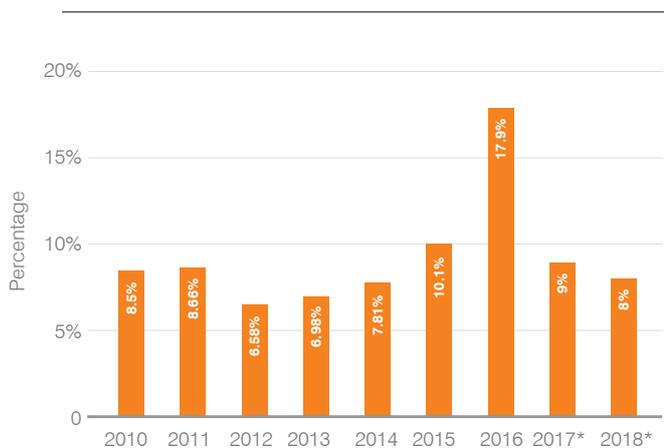
Source: Trading Economics.

#### d) Inflation

The consumer price index in the Republic of Zambia rose from 6.2% year-on-year in January of 2018, up from a 6.1% gain in December 2017. Prices were higher for food and non-food products. On a monthly basis, consumer prices inched up 1% compared to a 0.7% rise in the previous month.

The inflation of Zambia averaged between 6 and 7 percent from 2005 until 2018, reaching an all time high of 17.9% in February 2016. Figure 3 shows a graphical representation of the Republic of Zambia's inflation rate performance for 2010–2018. (Source: <https://tradingeconomics.com/Zambia/inflation-cpi>.)

**FIGURE 3** The Republic of Zambia's inflation rates (2010–2018)



Source: Trading Economics.

#### e) Interest rates

In February 2017, the Bank of Zambia (BoZ) reduced the policy rate from 15.5% to 14%, the statutory reserve ratio from 18% to 15.5% and the overnight lending facility rate from 1,000 basis points to 600 more than the policy rate. The bank justified the move with a significant reduction in annual inflation rate. The bank governor explained that the reduction was necessary to fight slow and sluggish economic growth and the high interest rates that are constraining access to credit by the economy's productive sectors, such as light manufacturing and agroprocessing.

**FIGURE 4** The Republic of Zambia's interest rates (April 2017–January 2018)

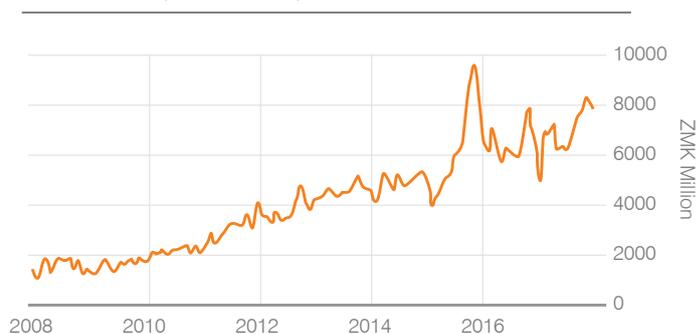


Source: Tradingeconomics.com | Bank of Zambia | <http://www.zambiainvest.com/finance/banking/interest-rate>.

#### f) Trade statistics

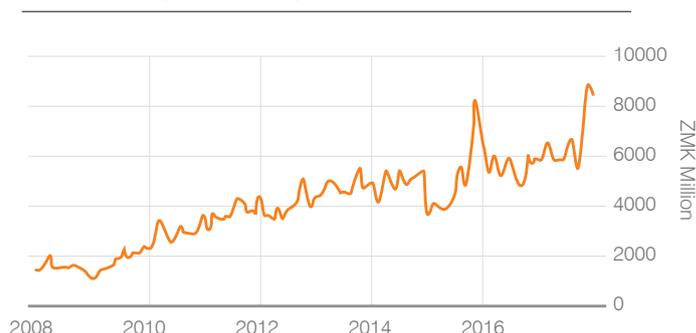
The Republic of Zambia's exports to the People's Republic of China rose by 18.8% to \$100.6 million in 2016. Imports from the People's Republic of China have continued to grow over the last five years, making the country the leading source of the Republic of Zambia's imports in 2016. Imports rose from \$3.2 billion in 2015 to \$3.37 billion in 2016.

**FIGURE 5** The Republic of Zambia's imports (2008–2016)



Source: Trading Economics – World Bank.

**FIGURE 6** The Republic of Zambia's exports (2008–2016)



Source: Trading Economics – World Bank.

The Republic of Zambia shipped \$7 billion worth of products around the globe in 2015. That figure represents a tiny 4% sliver of overall global exports estimated at \$16,329 trillion. From a continental perspective, \$3.2 billion or 45.9% of the Republic of Zambia's total exports by value in 2015 were delivered to European trade partners. Asian importers purchased 26.8% of Zambian shipments while 24.1% worth of products arrived in African countries. Further, less than 1% (0.13%) of Zambian exports were bought by customers in Latin America (excluding Mexico) and Caribbean nations.

Below is a list showcasing 15 of the Republic of Zambia's top trading partners in terms of export sales. That is, countries that imported the most Zambian shipments by dollar value during 2015. Also shown is each import country's percentage of total Zambian exports.

- I. **The Swiss Confederation:** \$3.1 billion (44.3% of total Zambian exports)
- II. **The People's Republic of China:** \$1 billion (14.5%)

- III. **The Republic of Singapore:** \$545.5 million (7.8%)
- IV. **The Republic of South Africa:** \$534.3 million (7.7%)
- V. **The Democratic Republic of the Congo:** \$532.1 million (7.6%)
- VI. **The Republic of Zimbabwe:** \$266.8 million (3.8%)
- VII. **Australia:** \$208.7 million (3%)
- VIII. **The Republic of Malawi:** \$107.3 million (1.5%)
- IX. **Hong Kong Special Administrative Region:** \$102.7 million (1.5%)
- X. **Japan:** \$81.6 million (1.2%)
- XI. **The United Arab Emirates:** \$69.9 million (1%)
- XII. **The United Kingdom of Great Britain and Northern Ireland:** \$65.8 million (0.9%)
- XIII. **The United Republic of Tanzania:** \$48.7 million (0.7%)
- XIV. **The Republic of Kenya:** \$40.2 million (0.6%)
- XV. **The Republic of Mozambique:** \$40.2 million (0.6%)

Almost all (96.6%) of Zambian exports in 2015 were delivered to the above 15 trade partners.

NB: The Democratic Republic of the Congo increased its import purchases from the Republic of Zambia by the highest percentage from 2011 to 2015 with a gain exceeding 43%. In second place was Australia (up 16,923%), followed by Hong Kong Special Administrative Region (up 3,264%), Japan (up 2,012%)

and the Republic of Singapore (up 1,828%). The United Kingdom of Great Britain and Northern Ireland decreased its Zambian import purchases by the greatest rate, down -80.2% over the five-year period.

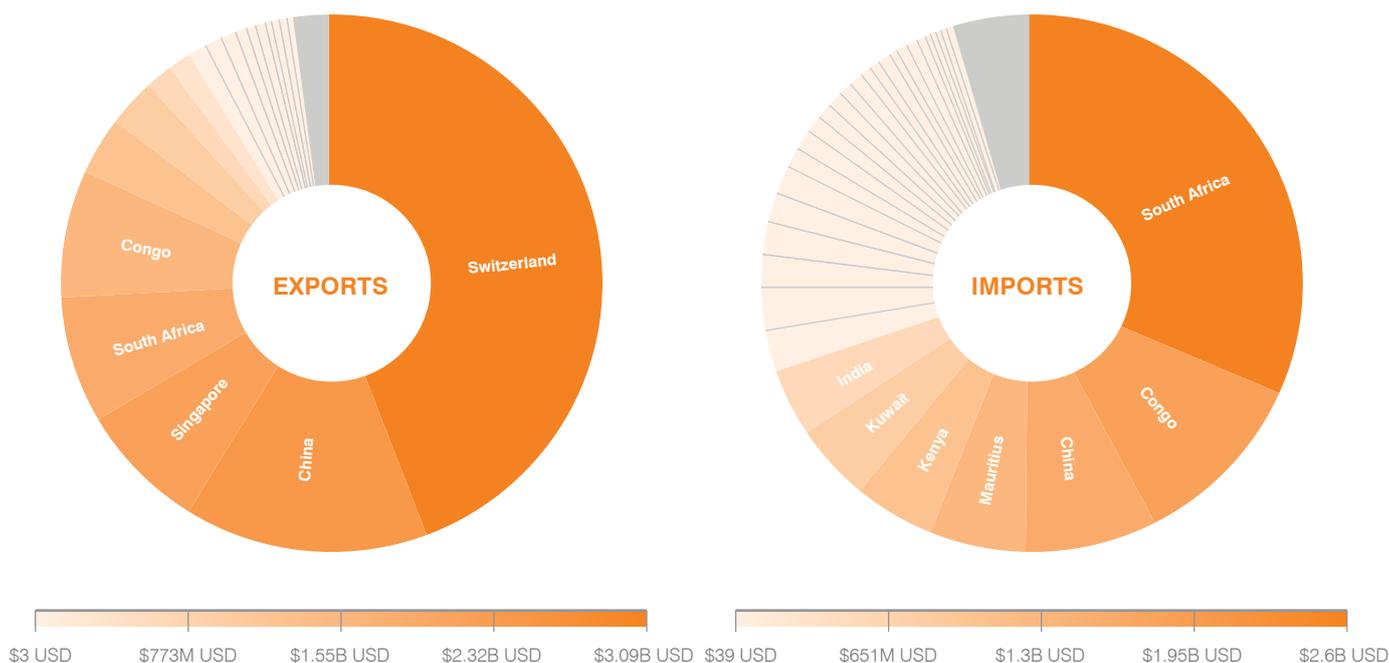
### g) The Republic of Zambia's exports

The Republic of Zambia is the 87<sup>th</sup> largest export economy in the world and the 75<sup>th</sup> most complex economy according to the Economic Complexity Index (ECI). In 2015, the Republic of Zambia exported \$9.3 billion and imported \$8.2 billion, resulting in a positive trade balance of \$1.06 billion. In 2015, the Republic of Zambia's GDP was \$21.2 billion and its GDP per capita was \$3.84 thousand.

The Republic of Zambia's top exports are refined copper (\$5.26 billion), raw copper (\$1.69 billion), raw tobacco (\$244 million), corn (\$215 million) and cobalt (\$146 million), using the 1992 revision of the HS (Harmonized System) classification.

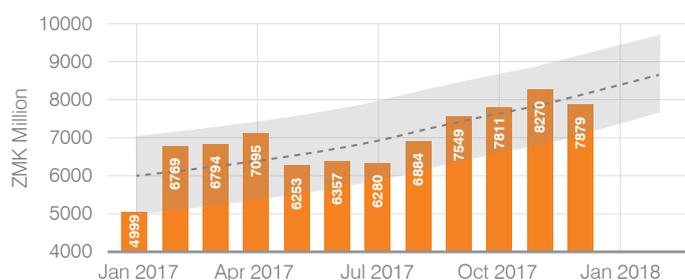
Additionally, its top imports are refined petroleum (\$1.01 billion), copper ore (\$363 million), crude petroleum (\$352 million), cobalt oxides and hydroxides (\$281 million) and cobalt ore (\$232 million). The Republic of Zambia's top export destinations are the People's Republic of China (\$2.5 billion), the Swiss Confederation (\$2.46 billion), the Democratic Republic of the Congo (\$521 million), the Republic of South Africa (\$463 million) and the Republic of India (\$418 million).

FIGURE 7 The Republic of Zambia's major trade partners



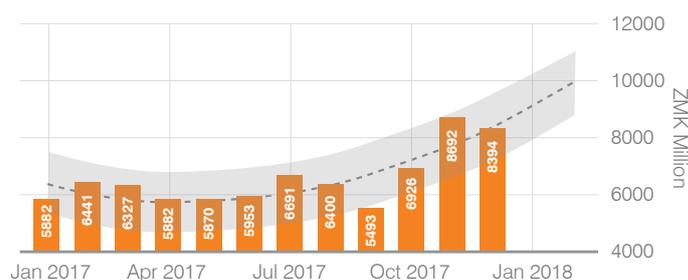


**FIGURE 8(a)** The Republic of Zambia's imports (ZMK millions) (2017)



Source: [Tradingeconomics.com](http://tradingeconomics.com) | Central Statistical Office, the Republic of Zambia.

**FIGURE 8(b)** The Republic of Zambia's exports (ZMK millions) (2017)



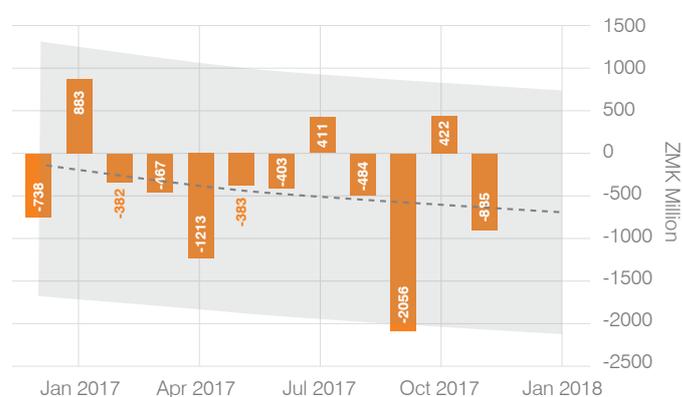
Source: [Tradingeconomics.com](http://tradingeconomics.com) | Central Statistical Office, the Republic of Zambia.

### h) The Republic of Zambia's imports

In 2015, the Republic of Zambia imported \$8.2 billion, making it the 108<sup>th</sup> largest importer in the world. During the last five years, the country's imports have increased at an annual rate of 8.6%, from \$5.41 billion in 2010 to \$8.2 billion in 2015. The most recent imports are led by refined petroleum, representing 12.4% of the Republic of Zambia's total imports, followed by copper ore, which account for 4.43%.

The Republic of Zambia's main imports are fuel, machinery and foodstuffs. The country's main import partner is the Republic of South Africa, followed by Congo-Kinshasa and the People's Republic of China. The top import origins are the Republic of South Africa (\$2.67 billion), the Democratic Republic of the Congo (\$933 million), The People's Republic of China (\$720 million), the Republic of Mauritius (\$440 million) and the Republic of Kenya (\$390 million).

**FIGURE 9** Zambia balance of trade (2017)



Source: [Tradingeconomics.com](http://tradingeconomics.com) | Central Statistical Office, the Republic of Zambia | <https://tradingeconomics.com/zambia/balance-of-trade/forecast>.

**TABLE 2** Foreign exchange rates of the Zambian Kwacha for selected currencies (2013–2017)

Currency	Annual average 2013	Annual average 2014	Annual average 2014	Annual average 2016	Annual average 2017
1 euro	6.5	8.5	10.5	12.5	14.5
1 US dollar	6.1	8.5	9.3	9.3	10
1 Pound sterling	5	10	15	20	25
1 Chinese yuan	0.5	1.0	1.5	2.0	2.5
1 South African rand	0.45	0.60	0.75	0.90	1.05



**i) Improving the business environment**

The Zambian government has undertaken economic reforms to improve the business environment and its business facilitation process to attract foreign investors, including steps to support transparent policymaking and encourage competition. The impact of these progressive policies, however, has been undermined by persistent fiscal deficits and widespread corruption in most public offices.

Business surveys generally indicate that corruption in the Republic of Zambia is a major obstacle for conducting business in the country. Given these reasons, companies are recommended to use a specialized public procurement due diligence tool in order to help mitigate the costs and risks of corruption involving public procurement processes in the Republic of Zambia.

The Zambia Development Agency, in collaboration with the Ministry of Commerce, Trade and Industry, launched a one-stop shop in 2010. The one-stop shop (OSS) facility allows for customers or clients to access a multitude of services under one roof by providing both local and foreign investors with a fast, efficient and business-friendly registration service, thus reducing the cost of doing business.

An investor only contacts one entity to obtain all the necessary paperwork in one streamlined and coordinated process. This means investors, both local and foreign, are provided with incentives such as centralized organizations that attend to their needs comprehensively, without them having to move from one stakeholder agency to another. Further, the government aims to establish these facilities in each province. (For more information, visit: <http://www.zda.org.zm/?q=content/one-stop-shop>.)

**j) Modern labour system**

The labour force total in the Republic of Zambia was 7,060,607 in 2017. As Table 3 shows, over the past years, this indicator reached a maximum value of 7,060,607 in 2017 and a minimum value of 5,641,054 in 2010.



**TABLE 3** The Republic of Zambia’s labour force (2010–2017)

Year	Value
2010	5 641 054
2011	5 788 784
2012	5 943 605
2013	6 150 588
2014	6 366 546
2015	6 590 858
2016	6 818 495
2017	7 060 607



### 1.3. IMPROVING STRATEGIC GEOGRAPHICAL LOCATION AND INFRASTRUCTURE

The Republic of Zambia's geographical location makes it the 'destination of choice', ideal for a spectrum of strategic partnerships aimed at improving regional and global market standing. The country is a gateway to the vibrant Eastern, Northern, Southern and Central African regions with a population of approximately 310 million. The Kenneth Kaunda, Simon Mwansa Kapwepwe and Harry Mwaanga Nkumbula airports function as effective air hubs that connect Africa to global destinations.

Over the last decade, the Republic of Zambia has developed dry ports serving as gateways to south-west, north-east regions and providing access to all the eight neighbouring countries (the Republic of Namibia, the Republic of Zimbabwe, the Republic of Angola, the Democratic Republic of the Congo, the United Republic of Tanzania, the Republic of Malawi, the Republic of Mozambique and the Republic of Botswana) and a cut-through railway line system also running from the south to the north.

The country remains the main transport and logistics hub for most African countries in the region, with great developments in infrastructure, highways, ports and railway systems, making it a land-linked avenue to trading opportunities.

### 1.4. TRANSPORT NETWORK SYSTEM

Located in the centre of the Southern African region, the Republic of Zambia is heavily dependent on its transport network that connects it to various export and import destinations. Zambian transport includes railways, roads and bridges, aerodromes, airports, inland waterways and maritime. There are eight airports with paved runways, railways covering 2,922 km, roadways covering 67,671 km and waterways covering 2,250 km. One of the main rail networks is Tanzania Zambia Railway Authority (TAZARA), primarily constructed to serve the mining industry.

#### 1.4.1. Zambian air transport

The Republic of Zambia has four international airports, five airstrips and five secondary airfields that serve domestic and international flights. The main airport is

Kenneth Kaunda International Airport in Lusaka. Other smaller airports include Livingstone Airport, Mfuwe Airport and Ndola Airport, along with secondary airfields such as Kasama, Kitwe, Chipata, Mongu, Mansa and Solwezi. The Republic of Zambia recently adopted the Open Skies Policy along with establishment of an air cargo hub to connect with the Southern African region.

The Zambian Government is focussed on improving infrastructure at all airports. Some of the developments in progress include establishment of terminals, runways and auxiliary facilities around the airports such as shopping malls, hotels and more. There is much more scope for participation of the private sector in development of airports in Kitwe, Chipata, Kasama, Mongu, Mansa and Solwezi.

#### 1.4.2. Zambian road network

The major part of the Republic of Zambia's road network was constructed between 1965 and 1975. The country's road network stands at approximately 37,000 km road structure and 6,476 m are surfaced to class 1 standard and are bituminous. The earth and gravel roads account for almost 8,478 km and 21,967 km respectively. Some of the toll routes that form the backbone of the Zambian national road network include Kapiri Mposhi to Nakonde, Solwezi to Kazungula and Lusaka to Mchinji via Chipata.

There are 30,000 km of ungazetted community road that comprises trails, tracks and footpaths. The Republic of Zambia is the second-largest producer of copper in Africa and the industry relies heavily on the roads for shipping exports and mine inputs abroad through the eight neighbouring countries. The Republic of Zambia's road network is also used heavily by neighbouring countries to provide shorter and reliable paths to different ports in Africa.

As the Republic of Zambia's economy has accelerated, roads development projects have been launched. One such project is Link Zambia 8000, also known as Accelerated National Roads Construction Programme, aimed at improving the roads in the country by rehabilitating and constructing the road network. The development of international highways and an efficient road network will link the Republic of Zambia to the Republic of Zimbabwe, the Republic of South Africa, the Republic of Mozambique, the United Republic of Tanzania, the Republic of Malawi, the Democratic Republic of the Congo and the Republic of Namibia.



This project specifically targets cost reduction of user and transit times across the country. In order to manage the bulk of commercial traffic, the Zambian Government is encouraging the private sector to invest in toll roads construction based on a sustainable revenue model.

### 1.4.3. Zambian railway network

In the Republic of Zambia, railways are the leading transportation mode for goods on the international and local routes. The total length of the Zambian railway network is more than 2,922 km. Of this, 900 km are main lines while the rest of the network is branch line railway. Zambia Railways is the main railway line owned by government, whereas the TAZARA railway line is jointly owned by the Tanzanian and Zambian Governments.

This railway line connects the United Republic of Tanzania with the Republic of Zambia. The Chipata-Mchinji railway link was opened that provides connectivity into the Republic of Malawi via rail. This further connects the Republic of Zambia to the Republic of Mozambique's railway network and opens up various exciting and new opportunities for the private sector in the Republic of Malawi, the Republic of Zambia and the Republic of Mozambique.

Although Zambian Railways has been operating well below the actually designed capacity, there hasn't been much significant increase in their volumes due to lack of locomotives, poor track conditions and wagon ability, along with low operating capital. In order to develop the surface transport sector, the Zambian Government is focussed on its developing railway network.

Further enhancement of rail routes will help the Republic of Zambia not only in establishing smooth access to different countries, but will also boost overall trade in the sub-region, eventually making the country a competitive business country.

### 1.4.4. Opportunities in the Zambian transport sector

Investors are encouraged to participate in the rehabilitation and development of railway infrastructure in the Republic of Zambia. Some of the major opportunities in railway development include:

- I. **Jimbe to Chingola (border with the Republic of Angola):** This is the railway line that links the existing Chingola line through Solwezi to the Jimbe's border town. It will enhance the transportation of passenger and freight traffic.
- II. **Kafue (the Republic of Zambia):** This is the railway line that will link Ziwa-Zimbabwe to Zambia Railways. Ziwa is the shortest route to the Port of Beira in the Republic of Mozambique.
- III. **Extension of Chipata/Mchinji railway line to TAZARA:** This railway line network will link the Chipata-Mchinji line to the Port of Nacala in the Republic of Mozambique through Petae District.
- IV. **TAZARA Nseluka:** These railway lines link TAZARA line to Mpulungu Port at Nseluka. Their primary function would be to facilitate exports and imports from the region of Great Lakes to the ports on the Indian Ocean.
- V. **Railway link with the Republic of Namibia and the Republic of Zambia:** This railway line network construction includes partial rehabilitation of the Mulobezi line, along with a feasibility study regarding spur track construction between Katima Mulilo and Livingstone via Kazungula, connecting to the Namibian railway system as part of the Livingstone-Walvis Bay-Ndola-Lusaka-Lubumbashi corridor. (For more information, please visit: <http://www.Zambianinvest.com/transport>.)



## 1.5. ELECTRICITY INFRASTRUCTURE

The Republic of Zambia has 2,411 megawatts (MW) of installed capacity, virtually all of which is hydro. Twenty-five per cent of the urban population and 3% of the rural population have access to power. The Zambian Government has targeted six distinct areas for mini-grid development (four hydro and two solar). In 1996, the Zambian Government set a goal for universal electricity access for all Zambians by 2030.

Energy has been identified as an important driving force behind economic development in the Republic of Zambia, and the government has declared its commitment to developing and maintaining energy infrastructure and services. Although there are pockets of private sector activity in generation, transmission and distribution, the majority of power in the Republic of Zambia is operated by ZESCO Limited, the vertically integrated state-owned utility.

### 1.5.1. Power Africa support

The United States Agency for International Development (USAID) is working on a number of energy initiatives in the Republic of Zambia, including technical assistance to the Ministry of Energy and Water Development and the regulator to develop a renewable energy feed-in tariff (REFIT), complete with a standardized power purchase agreement (PPA). The first phase of the REFIT project focussed on policy development, and has been completed.

The policy is intended to guide and expand the private sector's role in developing the country's renewable energy resources and diversify the supply and nature of energy production. The second phase of the project focuses on determining the cost to the off-taker for the various renewable technologies. As with many developing countries, the establishment of a REFIT has spurred the on-boarding of new, small, private sector-driven renewable energy power generation partners.

In April 2015, USAID-sponsored delegates from the Republic of Zambia's Rural Electrification Authority travelled to the Republic of Namibia to attend training on practical lessons about developing, financing and implementing grid-connected and off-grid projects. USAID also funded a project that assists Zambians in addressing utility loss reduction and competitive independent power producer (IPP) procurement assessments.

Further, in October 2015, the Swedish International Development Cooperation Agency (Sida), a Power Africa engaging donor partner, and USAID's Development Credit Authority (DCA), facilitated a 50% loan guarantee that will help Zambian farmers finance and implement renewable energy solutions.

In March 2016, Power Africa and USAID Zambia joined the World Bank and the International Finance Corporation (IFC) to provide more than \$2 million for the IFC's Scaling Solar programme in the Republic of Zambia. This support will help finance the critical costs necessary to establish and implement a transparent, competitive bidding process to attract qualified solar power developers and to build institutional capacity and catalyse market growth.

Population without electricity: 10 700 000
Electrification – total population: 26% Electrification – urban areas: 45% Electrification – rural areas: 14% (2013)
Electricity – production: 13.28 billion kWh (2015 est.) Country comparison to the world: 89
Electricity – consumption: 11.62 billion kWh (2015 est.) Country comparison to the world: 88
Electricity – exports: 1.176 billion kWh (2015 est.) Country comparison to the world: 56
Electricity – imports: 785 million kWh (2015 est.) Country comparison to the world: 71
Electricity – installed generating capacity: 2.37 million kWh (2015 est.)

As of September 2017, 70.5% of the Republic of Zambia had electricity access. This reduces the cost of setting up for investors wishing to invest in the country, since the power infrastructure is already in place.

### 1.5.2. Industrial electricity charges in Zambia

**Please see Annex VIII of this investment guide for more details about power infrastructure.**

## 1.6. ECONOMIC AND TRADE COOPERATION

The Republic of Zambia has a relatively large domestic market comprising a population size of approximately 16.5 million (est. 2017). In the Southern African Development Community (SADC) region, the Republic of Zambia's major trading partner is the Republic of South Africa, which accounts for approximately 60% of the Republic of Zambia's trade. Huge trade opportunities also exist through agreements with or membership to:

- I. Common Market for Eastern and Southern Africa (COMESA) and SADC
- II. Everything But Arms (EBA) market initiative to the European Union (EU)
- III. African Growth and Opportunity Act (AGOA) market initiative to the United States of America
- IV. Canadian market access initiative
- V. Chinese market access initiative
- VI. Japanese market access initiative
- VII. World Trade Organization (WTO).

## 1.7. MANUFACTURING SECTOR OVERVIEW

The Republic of Zambia's manufacturing sector accounts for approximately 11% of the country's gross domestic product (GDP) and has been growing at an average annual growth rate of 3% in the last five years. Growth in the sector is largely driven by the agroprocessing (food and beverages), textiles and leather subsectors.

Secondary processing of metals is another main activity in the sector, including the smelting and refining of copper, and this has led to the manufacturing of metal products. Fertilizers, chemicals, explosives and construction materials such as cement are also produced in the sector. Other activities include wood products and paper products. The country's manufacturing activities are undertaken by the private sector with government playing a proactive role.

The sector is of vital importance in relation to the country's macroeconomic strategy for encouraging broad-based economic growth. In this regard, the government has put in place measures to support manufacturing activities, such as the establishment of multi-facility economic zones (MFEZs) and industrial parks (these are industrial areas for both export-orientated and domestic-orientated industries, with the necessary support infrastructure installed), and the provision of sector-specific investment incentives. Government also promotes small and medium-sized enterprises in rural and urban areas so as to enhance labour-intensive light manufacturing activities in these areas.

The sector has attracted significant investment in recent years (foreign direct investment stocks in the sector totalled \$1,200 million in 2009), and, other than producing many different products, manufacturing also absorbs much of the output from other sectors such as agriculture, and also supplies inputs into the other sectors such as mining and construction.

**TABLE 4** Manufacturing output and value addition (2013–2017) - The Republic of Zambia

Year	Percentage
2013	5.3
2014	6.6
2015	7.3
2016	7.9
2017	8.1

Source: Zambia Development Agency, 2017.

### 1.7.1. Incentives

Investment incentives in the Republic of Zambia can be classified into investment promotion incentives and export promotion incentives.

### 1.7.2. Export promotion incentives

The Zambian Government has the undernoted export promotion incentive schemes in place.

### 1.7.3. Manufacturing under Bond Scheme

Investment opportunities in textiles manufacturing exist under the Manufacturing under Bond Scheme (MUBS) and in the multi-facility economic zones. Cotton is grown, ginned and spun in the Republic of Zambia at industrial sites with state-of-the-art spinning, weaving and processing factories as well as warehouses.

The European Union is a major export market for textile products from the Republic of Zambia, with the Republic of South Africa and the Republic of Mauritius being other potential markets. In addition, the Republic of Zambia qualifies for the Africa Growth Opportunity Act (AGOA), and Zambian textiles already enter the United States of America's market.

### 1.7.4. Duty drawback systems

The Zambian Government, through the Tax Remission for Exports Office (TREO), encourages local manufacturers to export their products. This is achieved through



The MFEZs blend the best features of the free trade zones (FTZs), export processing zones (EPZs) and the industrial parks and zones concept, and create the administrative infrastructure, rules and regulations, etc. that benchmark the best dynamic economies. The blending of physical infrastructure with an efficient and effective administrative infrastructure will create the ideal investment environment for attracting major world-class investors.

The legislation governing the MFEZs is mainstreamed in the Zambia Development Agency (ZDA) Act No. 11 of 2006 under Section 18. In addition, the regulations and

guidelines governing the declaration and establishment of MFEZs were put in place through Statutory Instrument No. 65 of 2007. Section 5(p) of the ZDA Act No. 11 of 2006 mandates ZDA to administer, control and regulate MFEZs in the Republic of Zambia.

The MFEZ incentives are non-discriminatory and apply fairly to all eligible investors be it from the Republic of Zambia or outside the country. The ministry has declared six areas as MFEZs or industrial parks: Chambishi, Lusaka East, Lusaka South, Lumwana, Ndola (Sub Sahara Gemstone Exchange Industrial Park) and Roma Park in Lusaka respectively.

## 1.8. SWOT ANALYSIS FOR INVESTING IN THE REPUBLIC OF ZAMBIA

STRENGTHS	WEAKNESSES
<p>1. Modern infrastructural development</p> <ul style="list-style-type: none"> <li>▪ Availability of good road network systems;</li> <li>▪ Availability of good railway network systems;</li> <li>▪ Availability of fibre optic cable systems for high-speed internet connectivity;</li> <li>▪ Air networks.</li> </ul>	<p>1. Political instability, especially during election periods.</p> <p>2. Corruption.</p> <p>3. Conflicting roles and mandate between various government institutions.</p> <p>4. Uncompetitive incentive schemes.</p> <p>5. Poor work culture.</p>
<p>2. Skilled labour force.</p>	
<p>3. Low labour costs.</p>	
<p>4. No exchange controls.</p>	
<p>5. Strategic geographical location.</p>	
<p>6. Wide market access through various trade agreements that the Republic of Zambia has signed, giving it access to more than 500 million people.</p>	
<p>7. Favourable investment climate and policies</p> <ol style="list-style-type: none"> <li>a) Patents and Companies Registration Agency (PACRA) allowance for a sole director company and a foreigner can register a fully owned entity without local shareholding;</li> <li>b) The creation of online registration platforms of all government services and various licenses;</li> <li>c) The establishment of a one-stop shop for investment facilitation;</li> <li>d) Availability of E-government payment gateways.</li> </ol>	
<p>8. Guarantees to investors and investment incentives.</p>	
<p>9. Favourable climatic conditions.</p>	
<p>10. Availability of investment incentives.</p>	
<p>11. Strong, independent judicial system dedicated to administering justice and hearing and determining corruption and economic crimes.</p> <ul style="list-style-type: none"> <li>▪ In the top five most attractive FDI destinations in Africa.</li> <li>▪ Ranked among the 20 most promising global investment destinations with good governance structures.</li> <li>▪ Easy access to energy supply.</li> </ul>	



## OPPORTUNITIES

1. Wide access to markets.
2. Easy access to skilled labour.
3. Multi-facility investment zones, industrial parks, economic zones and processing zones in which investors can invest.
4. Opportunities in various sectors.
5. Easy access to factors of production, e.g.:
  - Water connection
  - Power connection
  - Leasing of land

## THREATS

1. Poor work ethics and culture in some institutions.
2. HIV/AIDS.

### 1.8.1. Ease of doing business

<b>Region</b>	Sub-Saharan Africa
<b>Income category</b>	Lower middle income
<b>Population</b>	16 591 390
<b>Gross national income (GNI) per capita (USD)</b>	1 300
<b>City covered</b>	Lusaka



Doing Business 2018 Rank 190  
 Doing Business 2018 Distance to Frontier (DTF)  
 0 to 100  
 64.50  
 Doing Business 2018 Distance to Frontier (DTF)  
 A0 to 100  
 64.94: The Republic of Botswana (Rank 81)  
 64.50: The Republic of Zambia (Rank 85)  
 60.42: The Kingdom of Lesotho (Rank 104)  
 59.94: The Republic of Namibia (Rank 106)  
 50.43: Regional average (Sub-Saharan Africa)  
 41.49: The Republic of Angola (Rank 175)

*Note:* The Distance to Frontier (DTF) measure shows the distance of each economy to the 'frontier', which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale of 0–100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1–190.

Source: <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB2018-Full-Report.pdf>



## 1.9. THE REPUBLIC OF ZAMBIA COUNTRY RISK ANALYSIS

Since 1991, the Republic of Zambia has been undertaking major economic reforms that have spurred increased investment and trade. Today, the Republic of Zambia has a liberal and open economy with no price or foreign exchange controls. Copper and cobalt remain by far the major exports, accounting for approximately 70% of foreign exchange earnings. The heavy dependence on base metal exports has made the country vulnerable to significant drops in global copper prices and policies are being redirected to agriculture and light manufacturing sectors for economic diversification.

Foreign direct investment to the Republic of Zambia is increasing. In 2016, \$3.4 billion worth of investment pledges were recorded. The major sectors attracting this increase were energy, manufacturing, construction, real estate, mining and tourism. The government's policy agenda is geared towards economic diversification, increasing energy supply, supporting local enterprises and tackling unemployment.

A sustained fiscal deficit continues to threaten economic growth and investor confidence. However, armed with a fresh five-year mandate after the 2016 general elections, the republican president and his vibrant finance minister have set the country on a trail of economic recovery with promises to reign in on expenditure.

### 1.9.1. Political risks

The Republic of Zambia's political landscape has remained relatively stable, in particular when compared to regional neighbours. However, the period following the August 2016 general election has seen an increase in political tension, but this has not manifested in major civil unrest. The election was closely contested; the main opposition – United Party for National Development (UPND) – has refused to recognize the result of the presidential vote, citing irregularities. Tension has increased recently as a result of the main opposition leader being charged with treason over a motorcade incident. The case has been thrown out of court, but a lot of tension is still looming as the leader has asked his opposition members of parliament to push an impeachment bill and has urged them not to recognize the current republican president.

Since independence in 1964, the Republic of Zambia has enjoyed political stability. Multi-party elections were introduced in 1991 and transition of power between parties



occurred smoothly. Political parties are more fluid than in the United Kingdom of Great Britain and Northern Ireland, with less ideological differences. For example, The Patriotic Front (PF) is the party in government, but the finance minister has been appointed from the opposition Movement for Multiparty Democracy (MMD) party.

The Republic of Zambia is ranked 9<sup>th</sup> out of 54 African countries on the 2016 Ibrahim Index of African Governance. Some sporadic political unrest can occur, but not to the extent of major business disruption. Many companies find it useful to establish a relationship with a local lawyer or businessman who can advise on local political sensitivities.

### 1.9.2. Economic risks

The Republic of Zambia has enjoyed impressive economic growth over the last decade, mostly spurred by high copper prices that remain the economy's mainstay. Recently, a global slowdown marked by lower commodity prices and local weather-induced power outages has slowed growth. The growth forecast for 2016 is 3% and is expected to rise to 4% (2017) and 4.2% (2018). The World Bank classifies the Republic of Zambia as a lower middle-income country. The GNI per capita stands at \$1,490 (2015). After reaching a peak of 22.9% in early 2016, inflation declined to 8.8% by end 2016. The country is ranked 98/198 in the World Bank Ease of Doing Business Index.

The World Economic Forum Global Competitiveness Index (2016) ranks the Republic of Zambia 118 out of 138 economies and 7<sup>th</sup> in Sub-Saharan Africa. Some problematic



factors cited are access to finance, bank lending rates, tax rates, corruption, inflation, poor work ethic in the labour force and policy inconsistency. There are extensive and complex regulations on labour, environmental and tax matters for which there are often substantial penalties for even minor infringements. The Transparency International Corruption Perceptions Index (2016) ranks the Republic of Zambia 87 out of 176 in the world.

Access to capital in the domestic financial market is restricted and characterized by high interest rates when secured. The central bank reviews a monetary policy rate quarterly and this stands at 12.5%. A drought-induced electricity deficit affected business and industries in 2015 and 2016. The situation has improved since the Zambian Government intensified efforts to connect a new power generation project to the national grid. The load shedding has eased.

Businesses operating in the Republic of Zambia sometimes have difficulties getting as many work permits as they would like for expatriate staff. Good Zambian professional employees are always in high demand. Further, businesses must sometimes contend with policy inconsistencies and adjust business operations accordingly. Piracy, intellectual property rights (IPR) infringement, smuggling and counterfeiting are a problem in the Republic of Zambia, cutting across all forms of goods and services.

### 1.9.3. Bribery and corruption

Corruption can be rampant in most government institutions and it is an offence under Zambian law for both foreign nationals and someone who is ordinarily a resident in the Republic of Zambia. In addition, a commercial organization carrying out business in the country can be liable for the offence committed. The Transparency International Corruption Perceptions Index (2016), which is present in the Republic of Zambia, acts a watchdog in the fight against corruption and ranks the Republic of Zambia 12<sup>th</sup> out of 47 economies in Sub-Saharan Africa and 87<sup>th</sup> out of 176 in the world. However, the government has stepped up its measure through the establishment of the Anti-Corruption Commission Zambia, which actively supports the fight against corruption with a requirement that each public institution must set up an integrity committee. (See: <https://www.gov.u/government/publications/overseas-business-risk-zambia>.)

### 1.9.4. Social and cultural risks

Zambians are very friendly and peaceful people. This is why the Republic of Zambia is home to more than 500 Chinese companies and Chinese personnel conducting business in the country. However, there are cultural differences that may present challenges when doing business in the country, including foreign investors not recognizing differences in language, social values, ideas of status, decision-making, attitudes towards time, use of space, body language, manners and ethical standards; such differences can lead to misunderstandings when doing business.

The Republic of Zambia is home to more than 73 distinct ethnicities, each with a unique culture, although many have practices and languages that are similar. Its culture is, therefore, a variety of different practices and customs from various communities.

Among the social and cultural risks is high cultural differences and traditional leaders not being susceptible to foreign direct investment in general. Higher cultural differences between foreign investors and locals pose a challenge in most instances and some traditional leaders are not easily welcoming to investments that clash with local customs, for instance, those bordering on morality. However, exceptions are made through talks with mediators and traditional leaders on the impacts and outcomes.

Hence, the following key notes may help in avoiding risks, such as:

**Understanding:** Be informed of the historical background, influence of religion, traditions, and political and socioeconomic environment that is related to a particular culture's evolution. Distinguish important differences between various cultures. Get to know how these could possibly affect the process of a business negotiation.

**Respecting:** Accept the characteristics (values, beliefs and behaviour, etc.) of the culture of your counterpart as granted and do not disregard them, criticize them or attempt to challenge them, but rather consider them as basic frame-conditions for the negotiation to be successful.

**Managing:** Be able to conduct processes and develop solutions that lead to a well-balanced deal that is satisfactory to both parties despite substantial differences in their cultural background.



## 1.10. RISK-MITIGATING FACTORS IN THE REPUBLIC OF ZAMBIA

FACTORS IN BUSINESS NEGOTIATIONS	MEANS OF UNCERTAINTY AVOIDANCE
<b>Time factor</b>	In Zambian society, time is a means of avoiding uncertainty. Most people do not rush in negotiations, but rather want to gain time to analyse the situation and build up a trustful relationship in order to minimize risks. In other cultural settings, efficiency is important for the success of a business deal and people want to close deals quickly, whilst others want to be given ample time to conclude a business deal.
<b>Perception of an agreement</b>	Agreements are invented to avoid uncertainties in business. In many countries, they are the most regular and important way to close business deals. Even though the business practice of written agreements is known and used all over the world, it is not valued the same everywhere. Especially in countries and most regions in the Republic of Zambia, with a weak legal framework and no tradition of written agreements, contracts are often ignored.
<b>Trust</b>	Trust is an important success factor for every negotiation all over the world. However, in some Zambian cultures (especially those that do not strongly value written agreements), building-up trust is almost the only way to minimize risks. Trust can be gained through a long and stable relationship, through a good reputation, and particularly through proving by behaviour and actions sustainability in fulfilling commitments.
<b>Communication context</b>	When interfacing with cultures of high communication context in the Republic of Zambia, it is very important to be able to derive and interpret correct information out of the discussion. The interpretation of gestures and hidden meanings, etc. is important in analysing a situation and clearly understanding the interests, concerns and wishes of the negotiation partner. Such information can be helpful in minimizing risks in the Zambian set-up.
<b>Decision-making</b>	In the Republic of Zambia, it is believed that minimizing risks is a very central urge of all human beings. Different people follow different ways for minimizing risks, and these strongly influence the way in which they make decisions.

# MODULE 2

## MODULE 2: OPPORTUNITIES IN THE AGROPROCESSING AND LIGHT MANUFACTURING SECTORS

### 2.1. KEY PLAYERS IN AGROPROCESSING AND LIGHT MANUFACTURING

The key players in the Republic of Zambia's agroprocessing and light manufacturing sectors include: Varun Beverages Ltd, Zambian Breweries Plc, Roland Imperial Tobacco, Freshpikt Limited, Kafue Steel Corporation (Pty) Ltd, Sikale Wood, Zambef Products PLC, Good Time Steel Company Zambia Ltd, Zambian Cut Rag Processors Limited and Trade Kings Ltd.

### 2.2. AGROPROCESSING SECTOR

The Republic of Zambia has a total land area of 75 million hectares (752,000 m<sup>2</sup>), of which 58% (42 million hectares) is classified as medium to high potential for agricultural production. Despite this huge potential, only an estimated 15% of the total agricultural land is being utilized. Additionally, the country experiences rainfall ranging between 800 mm and 1,400 mm annually and is suitable for the production of a broad range of crops, fish and livestock.

The Republic of Zambia has the best surface and underground water resources in Southern Africa, with many rivers, lakes and dams. This, with the addition of high potential underground water aquifers in many areas, offers excellent prospects for irrigation programmes. However, these water bodies are largely unexploited. Of the country's irrigation potential, conservatively estimated at 423,000 hectares, only approximately 50,000 hectares are irrigated.

In order to take advantage of this potential, the government has embarked on the development of farm blocks, among other strategies.

TABLE 5 Zambian farm blocks

FARM BLOCK	LOCATION	
Nansanga	Central Province	<ul style="list-style-type: none"> <li>■ Ten thousand hectares core venture farm, three big commercial farms (1 000 to 5 000 ha), 357 small and medium-scale farms and service centres demarcated, cadastral surveyed and titled;</li> <li>■ Eighty per cent of backbone infrastructure developed;</li> <li>■ Electrification of the entire farm block done (103 km of 33 V overhead line and 66 km of 11 V distribution line);</li> <li>■ A hundred and fifty-one metres of trunk road network and three bridges supported by 173 km roads;</li> <li>■ Three irrigation dams constructed for small-scale farmers (outgrowers).</li> </ul>

FARM BLOCK	LOCATION	
<b>Luena</b>	<b>Luapula Province</b>	<ul style="list-style-type: none"> <li>▪ Feasibility studies completed;</li> <li>▪ A thousand hectare core venture farm, two (5 000 ha each) commercial farms, and 681 small-scale and medium-scale farms demarcated;</li> <li>▪ Cadastral survey underway;</li> <li>▪ A hundred and eighty kilometres of construction of trunk road network under construction (40 km all-weather and 140 km bituminous);</li> <li>▪ One dam constructed; a second one is under construction.</li> </ul>
<b>Luswishi</b>	<b>Copperbelt Province</b>	<ul style="list-style-type: none"> <li>▪ One hundred thousand hectares has been identified;</li> <li>▪ Feasibility studies conducted;</li> <li>▪ Strategic environmental assessment done.</li> </ul>
<b>Solwezi</b>	<b>North-Western Province</b>	<ul style="list-style-type: none"> <li>▪ A hundred thousand hectares identified;</li> <li>▪ Feasibility studies conducted.</li> </ul>
<b>Manshya</b>	<b>Muchinga Province</b>	<ul style="list-style-type: none"> <li>▪ A hundred and forty-seven thousand hectares identified;</li> <li>▪ Feasibility studies undertaken;</li> <li>▪ Three hundred and fifty small, emergent and medium-scale farms demarcated and cadastral surveyed.</li> </ul>
<b>Chikumbiro</b>	<b>Eastern Province</b>	<ul style="list-style-type: none"> <li>▪ Approximately 38,000 ha of land secured (negotiations for a further 62,000 ha is underway);</li> <li>▪ Soil feasibility studies done;</li> <li>▪ Environmental impact assessment conducted.</li> </ul>
<b>Simango</b>	<b>Southern Province</b>	<ul style="list-style-type: none"> <li>▪ Thirty-six thousand hectares of land identified;</li> <li>▪ Seventy-five thousand hectares under soil fertility and social investigations.</li> </ul>
<b>Masonde</b>	<b>Northern Province</b>	<ul style="list-style-type: none"> <li>▪ Approximately 50,000 ha of land identified.</li> </ul>

Source: Zambia Development Agency 2016.

Investors are invited to consider investing in the agricultural sector and can identify the farm block that would be best suited for production of crops of their choice. However, the government realizes that agriculture alone is not enough to bring about meaningful development to the Zambian people and, therefore, recognizes the need to diversify from primary agriculture into agroprocessing. The Zambian agroprocessing sector is one of the most important sectors that have experienced unprecedented growth in terms of production and export performance in recent years. This has been closely attributed to huge investment inflows in the various value chains as well as the enabling business environment.

Agroprocessing investment opportunities in the Republic of Zambia include some of the following:

- I.** Peanut butter production
- II.** Cashew nut processing
- III.** Animal or stock feed production (soya beans)
- IV.** Cassava processing (food and other industrial products)
- V.** Grain milling (rice, maize and wheat, etc.)
- VI.** Edible oil production
- VII.** Fruit canning and juice extraction
- VIII.** Meat, dairy, leather and leather products
- IX.** Fish canning and fish meal production
- X.** Cotton spinning and textiles
- XI.** Biodiesel production and ethanol production
- XII.** Honey processing.

## 2.3. TAX INCENTIVES

In addition to the tax incentives offered by the Zambia Development Agency to investors who meet the requirements, investors in the agricultural sector are entitled to the following general tax incentives:

- I.** Guaranteed input tax claim for four years prior to commencement of production for viable agricultural businesses;
- II.** Zero rating agricultural products and supplies when exported;
- III.** VAT deferment on importation of some agricultural equipment and machinery;
- IV.** Income tax at a reduced rate of 10%;
- V.** Farm improvement allowance of 100% on fencing, brick or stone wall and an allowance of ZMK 10 million for farms occupied by farm workers;
- VI.** Farm works allowance of 100% for the full cost of stumping and clearing, works for prevention of soil erosion, boreholes, wells, aerial and geophysical surveys and water conservation;
- VII.** Dividends paid out of farming profit are exempt from tax for the first five years the distributing company commences farming;
- VIII.** Development allowance is given for any entity that incurs expenditure in the growing of tea, coffee, banana plants and citrus trees or similar plants or trees. An allowance of 10% of such expenditure shall be deducted in ascertaining the gains and profits of that business;
- IX.** No import duty on irrigation equipment and reduced duty rates on imports of other farming equipment.

## 2.4. MANUFACTURING SECTOR

The Republic of Zambia's manufacturing sector accounts for approximately 7.7% of the country's gross domestic product (GDP) and has been growing at an average annual growth rate of 3% since 2015. Growth in the sector is largely driven by the agroprocessing (food and beverages), textiles and leather subsectors. Secondary processing of metals is another main activity in the sector, including the smelting and refining of copper and related metal products.

Examples of activities in this area include the production of fertilizers, chemicals, explosives, construction materials, and wood and paper products. Given that the manufacturing sector is vital to the country's economic growth, the Zambian Government has put in place measures to support manufacturing activities, such as the establishment of multi-facility economic zones (MFEZs) and industrial parks and provision of sector-specific investment incentives.

### 2.4.1. Investment opportunities in the manufacturing sector

The priority areas for investment in the manufacturing sector include food processing, textiles and clothing, mineral processing, chemical products, engineering, leathering, electronics, pharmaceuticals and packaging products.

### 2.4.2. Incentives in the manufacturing sector

- Refund of Zambian value added tax (VAT) on export of Zambian products by non-resident businesses under the commercial exporters' scheme;
- Guaranteed input tax claim for two years prior to commencement of production;
- Income from chemical manufacturing of fertilizers taxed at 15%;
- Five per cent capital allowances on industrial buildings used for manufacturing;
- Entities that incur capital expenditure on an industrial building are entitled to claim a deduction called initial allowance at 10% of the cost incurred in the charge year in which the industrial building is first brought into use;
- Any entity that incurs capital expenditure on an industrial building is entitled to an investment allowance of 10% of such expenditure in the first year that the building is used for manufacturing purposes;
- Zero per cent import duty on various textile machinery and all woven fabrics of polyester imported for further processing;
- Suspension of import duty on machinery, equipment and capital goods for assembling of motor vehicles, trailers, motorcycles and bicycles.



# MODULE 3

## MODULE 3: ZAMBIAN CUSTOMS RULES AND REGULATIONS

### 3.1. ZAMBIAN CUSTOMS RULES AND REGULATIONS

Import regulations: Free imports by persons 18 years of age and older include 400 cigarettes or 0,5 grams of pipe tobacco or 0,5 g cigars, 1,5 litres, 2,5 litres of wine and 2,5 litres of beer. Goods for personal use: up to a value of \$1,000 in money. Additional information on regulations and prohibited items: the importation of poultry and related products, pets, dogs and cats must be accompanied by a veterinarian health certificate issued at the point of origin and an import permit to be obtained in advance by writing to: The Director, Veterinary and Tsetse Control Department, Ministry of Agriculture, Food and Fisheries, Mulungushi House, P.O. Box 50060, Lusaka, Zambia.

- *N.B. Dogs also require an additional rabies inoculation certificate. The importation of poultry and related products is also prohibited. Baggage clearance regulations: baggage is cleared at the first airport of entry in the Republic of Zambia. Exemptions: baggage of transit passengers with a destination outside the Republic of Zambia if the passengers do not leave the transit area.*
- *Companies in the light manufacturing and agroprocessing sectors are required to adhere to the import and export requirements highlighted in the next paragraph.*

#### ZAMBIAN IMPORT AND EXPORT REQUIREMENTS AND DOCUMENTATION

A company intending to engage in imports and exports should present import documentation and other requirements for both the exporter and foreign importer, as stated in the Zambia Revenue Authority's regulations, and it is not country-specific, but is used as a general guide. Further, commercial documents such as a bill of lading, airway bill and commercial invoice are required to clear goods with customs. The import declaration form is used for statistical purposes, and no fee is required. The Zambia Revenue Authority (ZRA) has implemented the automated system for customs data (ASYCUDA) world system that provides a platform that leads to paperless Customs clearance and domestic tax processes, enhancing opportunities for stakeholders involved in trade logistics to integrate their workflows and systems.



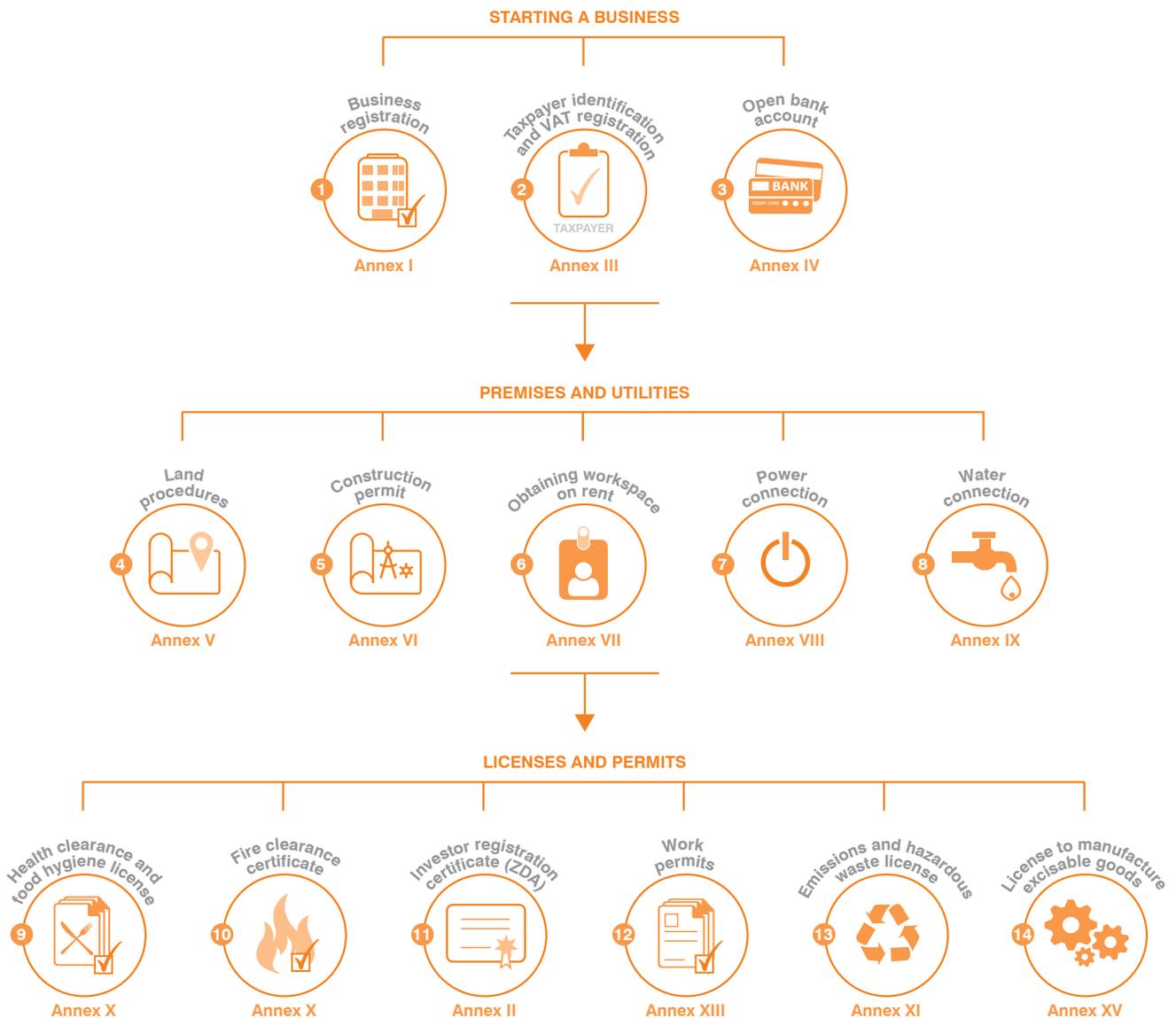
The ZRA Form CE 20, the standard form for entry and exit, is used for clearance at border posts. Further, certification is required to import meat (certification available from the Veterinary Department), plants, seeds and fruits (phytosanitary certification from Mount Makulu Research Station), food and drugs (Ministry of Health and Zambia Medicines Regulatory Authority), firearms and ammunition (Zambian Police), and gemstones, and exports of scrap metal by the (Ministry of Mines and Minerals Development). **See Annex XVI: Light manufacturing and agroprocessing sectors, import and export considerations, for a comprehensive list on export and import regulations in the Republic of Zambia.**

An investor wishing to invest in the agroprocessing and light manufacturing sectors in the Republic of Zambia will be required to obtain the following licenses.

# MODULE 4

## MODULE 4: INVESTING IN AGROPROCESSING AND LIGHT MANUFACTURING SECTORS

The following figure illustrates the steps, formalities, requirements and procedures an investor may need to complete to invest in the agroprocessing and light manufacturing sectors of Zambia:



## 4.1. STARTING A BUSINESS IN THE REPUBLIC OF ZAMBIA

### 4.1.1. Business registration

Over the last few years, the Republic of Zambia has made significant strides in the ease of doing business through improved licensing procedures under the e-governance facilities. In the Republic of Zambia, the main forms of businesses are:

- I. Limited companies
- II. Limited liability partnerships
- III. Sole proprietorships and partnerships.

The main form of business used by investors in the Republic of Zambia is a limited liability company, which is incorporated as a private company or a public company. Additionally, companies, whether private or public, are preferred, because they are legal entities different from the shareholders that can be sued on their own names. Further, taxation is made at the entity level, unlike partnerships or sole proprietorships, where the taxation is made at individual levels. In addition, in limited liability companies, the shareholder is free to resign and it does not affect the running of the company.

In the Republic of Zambia, limited liability company members have a right to transfer all or any of their shares, but are prohibited to invite the public to subscribe for shares unless it is listed on the Lusaka Stock Exchange (LuSE). Further, its membership is limited to 50 members.

On the other hand, a public company does not allow its members (through its articles) the right to transfer their shares in the company. However, there is no prohibition on invitation to the public to subscribe for shares or debenture of the company.

A limited liability company can be a local company or a foreign company. A foreign company is a company that has been incorporated outside the Republic of Zambia. The Companies Act No. 26 of 1994 allows investors to incorporate a sole director company and register a fully owned local company without having any Zambian shareholders. Further, whether local or foreign company, you will be charged the same rate of corporate tax.

Through PACRA, potential investors can register and obtain the company certificate from the agency. The process takes 1–2 working days if all the requirements are met, with the registration fee for a local company being ZMK 705 (\$70.5) and ZMK 4,166 (\$416.6) for a foreign company. All companies with a nominal capital of 15,000 shares are required to have a company secretary. However, the company secretary is not required to have a practicing certificate issued by any institute in the country. Once the company has been incorporated, the investors will be required to obtain a taxpayer identification number (TPIN), pay as you earn, value added tax and income tax registration, and obtain a tax clearance certificate from the Zambia Revenue Authority, apply for employer registration with the National Pension Scheme Authority (NAPSA), and obtain a business permit with the local council. **See Annex I for the procedure to start a business in the Republic of Zambia.**

#### CAPITAL CONTRIBUTION

A statement of nominal capital indicates the company's authorized capital. Shares can be issued at par (the nominal value of the shares) or at premium. A company cannot reduce its capital or decide to issue shares at a discounted price without express authority from the courts of law. Authorized nominal capital can be increased by a board resolution of members at a given general meeting where all members in attendance must sign the resolution.

A statement to increase nominal capital has to be submitted to PACRA for stamping and there is no time limit for this. The rate of property transfer tax paid is 5% to Zambia Revenue Authority and an additional fee of ZMK 833 (\$83.3) payable when filing with the Registrar of Companies at PACRA.

#### JOINT VENTURES

In the Zambian context, a joint venture (JV) is a commercial collaboration in which two or more parties agree to develop a new entity and new assets by contributing equity towards a mutual goal for a fixed or indefinite duration. The profits resulting from the joint venture are then apportioned according to the value of their respective contributions.

#### Structure of a joint venture

The structure of a joint venture depends on the strategic, fiscal or commercial advantages from which the parties see to benefit. Foreign investors are advised to incorporate a company. Once the company has been incorporated, the parties should contract an advocate or a business consultant to draft them a joint venture agreement to have their interests safeguarded.

#### 4.1.2. Taxpayer identification and VAT registration

The Zambia Revenue Authority (ZRA) issues the taxpayer identification number (TPIN) to citizens and investors to enable them to make transactions such as opening accounts with financial institutions and investment banks, importation of goods and Customs clearing and forwarding, registration of titles, property transfer documentations and general paying of taxes. The Zambia Revenue Authority requires that foreign investors have an investor's permit (from the Department of Immigration).

**See Annex III for the procedure to obtain a TPIN and VAT registration through the Zambia Revenue Authority.**

#### 4.1.3. Opening a bank account in the Republic of Zambia

Zambian citizens and foreign investors intending to invest in the Republic of Zambia are allowed to open bank accounts, which can be in foreign or Zambian currency. A foreign currency account is granted upon request by the applicant and is important in helping cushion the impact of currency fluctuations. All banks are required to undertake a vetting process of customers before opening of the bank account. The vetting process includes submission of the following, which enables banks to carry out due diligence on the individual or the company.

- I. Customer's identification
- II. Taxpayer identification number
- III. Location, purpose and nature of the proposed business
- IV. The business relationship and transactions to be undertaken throughout the course of the business transactions. This is important in ensuring that the business being conducted is consistent with the bank's knowledge of the customer as indicated in the initial application forms submitted to the bank.

Upon being satisfied, the bank will proceed to open the account and, through this account, the account holder will be given a customer relationship manager to help them throughout the process and offer advice. The customer will also be able to access other banking facilities such as access loans and mortgage plans. **See Annex IV for the procedure to open a bank account in the Republic of Zambia.**

#### ZAMBIAN FOREIGN EXCHANGE CONTROLS

In the Republic of Zambia, bank accounts may be held in local or foreign currency, and funds are easily transferred out of the country or held offshore. Amounts of more than \$5,000, carried in or out in cash or traveller's cheques, must be declared. Further, commercial banks and bureau de change operators restrict issuance of over-the-counter cash to \$5,000 per transaction. The Bank of Zambia is responsible for managing the country's foreign exchange reserves and participates in open market operations to build up reserves or smooth exchange rate volatility (**see:** <http://export.gov/usoffices>).

### 4.2. PREMISES AND UTILITIES

#### 4.2.1. Land procedures in the Republic of Zambia

In the Republic of Zambia, land is categorized as:

- I. Government land
- II. Private land
- III. Customary land.

Government land is held and administered by the respective government institutions. Customary land is held by the respective chiefdoms and private land is held by legal persons (whether a company or an individual) by leasehold tenure. Under Zambian law, non-citizens can only hold land on a leasehold basis, and the lease does not exceed 99 years. Further, foreign companies can buy land in the Republic of Zambia. However, the company is required to be legally registered and issued with a certificate of registration from Zambia Development Agency as well as obtain a taxpayer identification number from Zambia Revenue Authority. Any land transactions are to be registered with the Ministry of Lands and Natural Resources. Alternatively, a company may seek to obtain workspace on rental for which it will go through the rental market. **See Annex V for the procedure to buy land and Annex VII for the procedure to obtain workspace on rent in the Republic of Zambia.**



#### 4.2.2. Construction permits

Construction permits in the Republic of Zambia are issued by local councils under the city planning department. Construction permits act as the go-ahead to erect structures in certain areas and ensure that they conform to the city planning regulations. The local councils charge ZMK 400 (\$40) for the construction permit. Additionally, the investor will be required to procure the services of an architect and a structural engineer. An updated list of professionals can be obtained from [eiz@eiz.org.zm](mailto:eiz@eiz.org.zm). **See Annex VI for the procedure to obtain a construction permit.**

#### 4.2.3. Power connection

ZESCO is responsible for the distribution and retail of electricity in the Republic of Zambia. The power utility company generates electricity and retails it to various customers. Investors in need of a power connection should submit an application to ZESCO for processing. **See Annex VIII for the procedure to obtain a power connection.**

#### 4.2.4. Water connection

An application for a water connection is made to the Lusaka Water and Sewerage Company (LWSC) or any provincial branch. The water company is an ISO9001-certified institution that provides water and sewerage services to all Lusaka residents. **See Annex IX for the procedure to obtain a water connection.**

### 4.3. OTHER LICENSES AND PERMITS

#### 4.3.1. Business permits

All business permits are issued by the local council to allow one to trade in a particular city. The procedure to obtain a business permit is the same across all city councils and the fee charged in the counties is similar, though different fees will be charged for the business permit. The amount to be paid also varies according to the activity the investor will be carrying out and the number of employees. Investors are required to have business premises before they can obtain the business permit. For more information, visit: <https://lcc.gov.zm/cityplanning>. **See Annex X for the procedure to obtain business permits.**

#### HEALTH CLEARANCE AND FOOD HYGIENE LICENSE

Investors involved in the agroprocessing sector involving the handling of consumables are required to obtain a health clearance and food hygiene license and the workers will be required to obtain a food handler's medical certificate. Additionally, these certificates are issued by the city council and any government-authorized hospital for handler's licenses, where the business activity will take place. **See Annex X for the procedure to obtain a health clearance and food hygiene license in the Republic of Zambia.**

#### CERTIFICATE OF CLEARANCE FOR FIRE PREVENTION INSPECTION

Investors in agroprocessing and light manufacturing need to have a fire clearance certificate. The clearance helps regulate and ensure fire safety and prevention, is valid for one year and is renewable. The fire clearance certificate is issued by the relevant councils in which the business activity will take place. **See Annex X for the procedure to obtain fire certificate Republic of Zambia.**

#### 4.3.2. Zambia Development Agency certificate of registration

The Zambia Development Agency issues an investment certificate (certificate of registration) to investors. The payments are ZMK 1,280 (\$128) for the application and ZMK 7,670 (\$767) for the certificate. The certificate is issued upon request by a registered investor who has proof of investment of at least \$250,000 either through money already in a Zambian or foreign bank or assets purchased (whether locally or imported) towards initiating the project.

Before the certificate can be issued, ZDA inspects the premises to ensure that the use of the registered premises is consistent with the enterprise's operation activities. **See Annex II for the procedures to obtain the investment certificate.**



### 4.3.3. Work permits

All foreign nationals in the Republic of Zambia require authorization from the Department of Immigration to work in the country. The Department of Immigration has automated the application of work permits through the online portal, [www.Zambiaimmigration.gov.zm](http://www.Zambiaimmigration.gov.zm). Investors are able to apply and pay for the processing fees online, then submit the application to the Department of Immigration for processing. The work permit is applicable to the agro-processing and light manufacturing sectors as it is to other sectors. **See Annex XIII for the procedure, cost and requirements to obtain a work permit and also Annex XII for information on labor.**

### 4.3.4. Emissions and hazardous waste license

Apart from the environmental impact statement and EPB, ZEMA requires that any investor involved in an industrial undertaking and operators of sewage systems acquire an emissions and hazardous waste license. This is a workplace license that is acquired once the factory is set up, but before commencement of production. The application for the emissions and hazardous waste license is made at the Zambia Environmental Management Agency. **See Annex XI for the procedure to obtain an emissions and hazardous waste license.**

### ENVIRONMENTAL IMPACT STATEMENT AND ENVIRONMENTAL PROJECT BRIEF

In the Republic of Zambia, an environmental impact statement (EIS) is a critical examination of impacts a project will have on the environment and measures to mitigate the negative effects while maximizing the positive ones. Investors wishing to invest in the Zambian agroprocessing and light manufacturing sectors are required to submit an environmental impact statement for approval by the Zambia Environmental Management Agency (ZEMA). The environmental impact statement is required for huge projects with high environmental impacts while the environmental project brief (EPB) is required for projects with minimal environmental impacts, such as light manufacturing and agroprocessing. Further, they will be required to contract an environmental impact assessment expert who will draw the environmental impact statement report or EPB, then submit it to the agency for approval. *A list of qualified environmental consultants is available from ZEMA and can be given upon request.*

### 4.3.5. License to manufacture excisable goods

All manufacturers and importers of excisable goods in the Republic of Zambia are required to obtain the excisable goods licenses from the Zambia Revenue Authority. A list of various excisable goods is available from the Zambia Revenue Authority's website: [www.zra.org.zm](http://www.zra.org.zm). Investors involved in the light manufacturing and agroprocessing sectors are required to obtain the license. **See Annex XV for the procedure on how to obtain this license.**



# ANNEXES



## ANNEX I: STARTING A BUSINESS IN THE REPUBLIC OF ZAMBIA

### Issuing authority:

#### Patents and Companies Registration Agency (PACRA)

Head office  
Plot No. 8471  
Mwayi House,  
Haile Selassie Avenue,  
Long Acres,  
P.O. Box 32020, Lusaka, Zambia  
<https://www.pacra.org.zm/>

### REQUIREMENTS

#### a) Business registration

In the Republic of Zambia, business registration is governed by the Companies Act No. 24 of 2011, implemented by the Patents and Companies Registration Agency (PACRA). All businesses start with PACRA. A foreign company is required to have a local representative, who can be a Zambian or a resident foreigner. Certified professionals capable of acting as local representatives such as lawyers and accountants are available and the investor can contract them directly from the association's website (<http://www.laz.org.zm> for registered lawyers or <https://www.zica.co.zm> for Zambian certified accounting firms).

There are three distinct types of business registration in the Republic of Zambia:

- I. Local company – a domestic limited company;
- II. Business name – an unlimited company;
- III. Foreign company – a branch of a foreign registered company.

The following is the process that leads to registration of various forms of companies that are legally allowed to be registered under the Companies Act No. 24 of 2011 for registration of business names. Regardless of the type of business one wishes to register in the Republic of Zambia, the first thing to do is to carry out a name clearance.

#### Name clearance:

To register a business in the Republic of Zambia, one starts with name clearance. This step is executed by the submission of a name clearance application form to PACRA. The applicant or their agents do the submission in person. The process takes a few minutes and can also

be done using the PACRA online portal at <https://www.pacra.org.zm>.

**Cost:** ZMK 83 (\$8.3)

**Duration:** 10–15 minutes

**Document issued:** Name acceptance letter

#### REQUIREMENTS FOR NAME CLEARANCE:

- I. Three proposed names of the company to be incorporated;
- II. Copy of passport or any other form of identity for one of the directors or shareholders of the proposed company;
- III. Physical (local or international) address of directors and shareholders;
- IV. Proposed nature or sector of business.

*NB: An acceptance letter is issued to the applicant. The acceptance letter states which of the three proposed names PACRA has accepted for registration in the Republic of Zambia.*

The name will be reserved for a maximum of 30 days. If, however, the applicant is not ready to proceed with the rest of the company registration processes immediately after successful name clearance and needs to reserve the name for some time, an additional fee of ZMK 166 (\$16.6) is charged. One can reserve the name for a maximum of 90 days.

After the applicant has obtained the acceptance letter from PACRA, the next step is to proceed with registration of a business.



### b) Incorporation of a local company – domestic limited company

According to the Companies Act No. 24 of 2011 of the Laws of Zambia, one can incorporate a limited company by shares in the Republic of Zambia. The law requires a minimum of two shareholders and a maximum of 50 shareholders (as per articles of association) for one to incorporate a limited liability company by shares. The minimum required authorized capital for a private company stands at ZMK 15,000 (\$1,500).

**Documents and information required:** After successful name clearance procedure, the following forms are to be filled in and submitted to PACRA:

- I. Acceptance letter for name clearance
- II. Application for incorporation – Form 2
- III. Declaration of consent to act as a director or secretary – Form 5
- IV. Declaration of compliance – Form 11
- V. Articles of association.

**Cost:** ZMK 705 (\$70.5)

**Duration:** 1–2 working days

**Documents issued:**

1. Certificate of incorporation
2. Certificate of share capital.

*NB:*

- I. There are NO restrictions in the shareholding structure of any given limited company incorporated in the Republic of Zambia. A company can be 100% owned by foreign nationals or firms;
- II. A director in the company does not necessarily need to own shares in that company. A director may be a Zambian or non-Zambian;

III. You will be required by law to submit ANNUAL RETURNS to the Patents and Companies Registration Agency (PACRA) no later than three months after the end of each financial year regardless of whether the company is operating or not, using Form 71. This requirement is mandatory and failure to file annual returns may result in the company being de-registered;

IV. One should notify the Patents and Companies Registration Agency (PACRA) of any changes to the business, including business name, ownership structure and physical address of business.

*NB: Business owners can apply to be end online users at PACRA after filling in this document:*

<https://www.pacra.org.zm/#/>.

### REGISTRATION OF A BUSINESS NAME – UNLIMITED COMPANY

After successful name clearance procedure, one can register a business name at the PACRA offices by making payments at the cashier's office. It takes no longer than five minutes. The Business Names Act No. 16 of 2011 of the Laws of Zambia governs registration of a business name. There are three types of business name registrations: for a sole proprietorship (individual), a partnership (more than one) and a body corporate (a firm). These are all unlimited or unincorporated, meaning that their obligations are not limited to the amount invested in that company.



## REQUIREMENTS

After successful name clearance procedure, one is required to submit the following to PACRA:

- I. Form III – registration of a business name;
- II. Copy of national registration card (NRC) or passport;
- III. Nature of business;
- IV. Physical address of the principal or other place of business – NB: If it's a sister company;
- V. Ownership structure;
- VI. Names of partners (shareholders).

NB: The format is clearly outlined in the PACRA business documents, which can be downloaded here: <https://www.pacra.org.zm/applications/pacra/html/Forms.2057%20-%20Copy.html>.

**Cost:** ZMK 166 (\$16.6)

**Duration:** 1–2 working days

**Documents issued:** Certificate of registration (Form V)

### c) Registration of a foreign company

#### A BRANCH OF A FOREIGN REGISTERED COMPANY

Registration of a foreign company is governed by the Companies Act No. 24 of 2011 of the Laws of Zambia. In the Zambian context, a foreign company is a company already registered in another country or territory and it is, therefore, considered as a branch of the original company in that country or territory. The law requires that at least one and no more than nine local directors be authorized to conduct and manage the affairs of the company in the Republic of Zambia. If the company has two such directors or more than two directors (but not more than nine), at least 50% of the directors should be resident in the Republic of Zambia.

## REQUIREMENTS

After successful name clearance procedure, the following forms are to be filled in and submitted to PACRA:

- I. Form 46 – registration of a foreign company (two sets);



- II. Certificate of incorporation – from country of origin; and copy of one of the following:

- a) A charter
- b) Statutes
- c) Regulations
- d) Memorandum of Understanding
- e) Articles of association.

*NB: The company should indicate the name of the firm, corporate body or individual resident in the Republic of Zambia that would be authorized to act as the documentary agent in the country.*

**Cost:** ZMK 4,166 (\$416.6)

**Duration:** 1–2 working days

**Documents issued:** Certificate of registration as a foreign company

*All payments are done at the PACRA offices through an authorized agent, but PACRA is working on modalities for online payments.*

*A temporary address of an authorized agent or representative can be used as principal address for registration purposes.*

*A documentary agent is a person authorized by the shareholders of the company to act on their behalf and act or append signatures on their behalf.*

## ANNEX II: INVESTOR REGISTRATION AND OBTAINING A CERTIFICATE OF REGISTRATION

### Issuing authority:

#### Zambia Development Agency

Privatisation House  
Nasser Road  
P.O. Box 30819  
Lusaka  
<http://www.zda.org.zm>

To apply for a certificate of registration, one must submit the following documents to the Zambia Development Agency (ZDA):

### REQUIREMENTS

- I. Completed formal application form from the Zambia Development Agency;
- II. Certified copy of certificate of incorporation or registration;
- III. Certified copy of certificate of share capital;
- IV. Certified copy of a certificate of minimum share capital;
- V. Certified copy of an official list of shareholders or directors;
- VI. Business plan or feasibility study;
- VII. Verifiable evidence of project finance; i.e. local or foreign bank statements in the name of shareholders or a financier, invoices for purchase of machinery and equipment for the proposed investment or a letter from the company indicating the proposed financing source;
- VIII. Brief resumes for shareholders or directors.

### Costs:

- I. Processing fee: ZMK 1,280 (\$128)
- II. Certificate fee: ZMK 7,670 (\$767)

**Duration:** 10 working days  
(according to the ZDA Client Charter)

**Document issued:** Certificate of registration  
(valid for 10 years from date of issue)

*NB: There is no official suggested general format for a business plan or feasibility study, as this depends on the nature of the business.*

## ANNEX III: TAXATION IN THE REPUBLIC OF ZAMBIA

### Issuing authority:

#### Zambia Revenue Authority

New Revenue House  
Cairo Road, Northend Roundabout  
P.O. Box 35710  
Lusaka  
<https://www.zra.org.zm>

### a) Basis of taxation in the Republic of Zambia

Tax is levied on a source or deemed source basis. Residents are taxed on domestic-source income and certain types of foreign income. Non-residents are taxed on Zambian-source income and are subject to a range of withholding taxes (WHT) – some of which may be reduced under a double tax treaty negotiated with the recipient's country of residence. The Income Tax Act (Chapter 323 of the Laws of Zambia) is the legislation that governs income tax in the country. Income tax is tax on profits made by limited companies, partnerships and self-employed individuals as well as on emoluments earned by employees.

All profit-making organizations (limited companies and all nature of businesses carried on by individuals or partnerships) have an obligation to pay income tax on their profits. Similarly, all individuals in employment have an obligation under this Act to pay tax on their emoluments.

Zambia corporate tax rates are:

- Corporation tax – resident companies, manufacturing and other: 35%
- Manufacturing of organic and chemical fertilizers: 15%
- Mining – base metals, gemstones, precious metals and other mining: 30%
- Hedging income: 35%
- Export duty on copper and cobalt concentrates: 10%
- Import of copper blisters: 15%
- Export duty on all other unprocessed or semi-processed mineral ores: 10%
- Telecommunication companies: First ZMK 250,000: 35%; more than ZMK 250,000: 40%
- Banks: 35%
- Public benefit organizations: 15%
- Farming: 10%
- Import of non-traditional products: 15%

By its nature, value added tax is incurred by the final person in the chain of supply who is not registered for VAT. Persons registered for VAT will claim back, through the return, the input VAT incurred in the course of their business, and remit to Zambia Revenue Authority the output VAT collected in excess of their input VAT. Therefore, registered suppliers do not pay VAT. Zambian standard



VAT rated supplies are supplies that attract VAT at the prescribed standard rate of 16%. Zero-rated supplies are supplies that attract VAT at 0%. Exempt supplies are supplies that do not attract any VAT at all. The VAT law is premised on five broad areas. These are:

- I. The Value Added Tax Act – the principal act;
- II. The Value Added Tax General Regulations – the principal regulations/minister's regulations;
- III. The VAT General Rules – the principal rules/Commissioner General's rules;
- IV. The case law – the precedence;
- V. Common Practice – Practice Notes Capital Gains Tax. There is no capital gains tax in the Republic of Zambia. A mineral royalty is charged under the Mines and Minerals Act Chapter 213 of the Laws of Zambia on any holder of a large-scale mining license, small-scale mining license, gemstone license, or artisan mining right for extracting minerals from the earth. The Commissioner-General of Zambia Revenue Authority has the responsibility of administering and collecting the mineral royalty.

**b) *Zambian mineral royalty rates***

- Six per cent of the normal value of base metals produced or recoverable under the license;
- Six per cent of the gross value of the industrial minerals produced or recoverable under the license;
- Six per cent of the gross value of the energy minerals produced or recoverable under the license;
- Six per cent of the normal value of the precious metals produced or recoverable under the license;
- Six per cent of the gross value of the gemstones produced or recoverable under the license;
- Transfer pricing and thin capitalization rules should be adhered to.

The Income Tax Act (ITA) only provides guidance on the acceptable level of debt to equity ratio for mining companies, which is 3:1. However, there is no specific guidance on the acceptable level of debt to equity ratio applicable to other industry sectors. The transfer pricing legislation is detailed in Section 97A of the ITA, which the Zambia Revenue Authority (ZRA) is enforcing.

The onus is on the taxpayer to ensure that the tax returns submitted are adjusted for any non-arm's length transactions. Management should ensure that there is sufficient evidence to demonstrate that transactions with connected entities are undertaken in line with the arm's length principle. The existing anti-avoidance provisions have been amended in the ITA and transfer pricing regulations to align it with international best practice. Among other changes, it provides for the Minister of Finance to prescribe transfer pricing documentation rules.

**c) *Zambian property transfer tax***

The Property Transfer Tax Act Cap. 340 provides for the charge of property transfer tax on the transfer of property. Property is defined as: a) Land, including any improvements on it; b) Shares issued by a company incorporated in the Republic; or c) Mining right or interest granted under the Mines and Minerals Development Act. The rate for property transfer tax in the Republic of Zambia is 10%. Inheritance and donations estate duty was abolished. There is no gift tax in the country.

**d) *The Republic of Zambia's double tax treaties***

The countries that the Republic of Zambia has signed double taxation agreements (DTA) with include Canada, the Kingdom of Denmark, the Republic of Finland, the French Republic, the Federal Republic of Germany, the Kingdom of the Netherlands, the Republic of India, Ireland, the Republic of Italy, Japan, the Republic of Kenya, the Republic of Mauritius, the Kingdom of Norway, Romania, the Republic of South Africa, the Kingdom of Sweden, the United Republic of Tanzania, the Republic of Uganda, the United Kingdom of Great Britain and Northern Ireland, Bosnia and Herzegovina and the Republic of Zimbabwe.

*Rate applies if dividends are subject to tax in recipient's country.*

*The 5% rate applies if the recipient is a company that controls, directly or indirectly, at least 25% of the voting power in the company paying the dividends.*

Since the domestic withholding tax rate for interest and dividends is 15%, the maximum rate suffered by any person is restricted to 15%. The domestic withholding tax rate for royalties and management fees is 20%; therefore, the maximum rate suffered by any person is restricted to 20%. (Source: <http://www.zambiainvest.com>.)

### e) Taxpayer registration

**Issuing authority:** Zambia Revenue Authority

A taxpayer identification number (TPIN) is a unique computer-generated number allocated to a taxpayer. Registration for a TPIN is done through a ZRA-prescribed form that can be obtained from the ZRA website, client services centres or the nearest ZRA office.

#### STEPS FOR E-REGISTRATION

The steps for e-registration (online registration: <https://www.zra.org.zm>) are as follows:

**Step 1:** Go to the Zambia Revenue Authority website: <https://www.zra.org.zm>.

**Step 2:** Click on the e-services option, which is the second option located on the left-hand side of your screen.

**Step 3:** Click on the e-registration option, which is one of the options that pops up when you carry out Step 2.

**Step 4:** On the right-hand side of your screen, a window with the title 'Taxpayer Registration' will appear in which there are two instructions. The first instruction states that 'To register online as a taxpayer, please select new form in the box below' and the second instruction reads 'To continue with uploading annexure at a later point in time to complete registration, please select continue with a previous registration'.

**Step 5:** Click on the 'Select' box at the bottom after the instructions at Step 4, which will give you an option to either get a new form or continue with a previous registration. For a new TPIN, select 'new form'.

**Step 6:** You will be asked to download a form for taxpayer

registration. Click on 'Taxpayer Registration', which will enable you to download an Excel document.

**Step 7:** Once the document is downloaded, fill it in by following the instructions that are given when you open the document on your computer, tablet or phone.

**Step 8:** Once you have filled in the form, go back to the ZRA website, follow Steps 1–4 and, when you get to Step 5, select the second option to submit your details. After 48 hours, you will be given your TPIN.

*NB: Getting a TPIN is a mandatory legal requirement in the Republic of Zambia.*

#### TPIN REGISTRATION

The TPIN is a prerequisite to all tax registration procedures under Domestic and Customs divisions. The TPIN was introduced because Zambia Revenue Authority integrated the operations of the former three divisions (Customs & Excise, Direct Taxes and Value Added Tax) into two divisions, namely Domestic Taxes and Customs, in order to simplify tax administration and consequently reduce administration costs.

#### WHAT IS A TPIN?

A taxpayer identification number (TPIN) is allocated to a taxpayer under any of the following entities:

- I. Limited company
- II. Partnership
- III. Sole trader or proprietor.

When this number is generated, it is presented for collection as a certificate.

#### HOW TO APPLY FOR TPIN REGISTRATION

Application is done through a ZRA-prescribed form that can be obtained from the ZRA website, client services centres or the nearest ZRA office. When duly completed, the form is submitted to ZRA with the following copies of documents:

##### **Limited company registered under the Companies Act**

###### **Required documents**

- I. Certificate of incorporation
- II. Certificate of share capital
- III. Articles of association
- IV. Business location sketch map.

**Cost:** Free

**Duration:** 1–5 working days

**Document issued:** TPIN certificate

*The TPIN certificate is sent to your e-mail address and you can print it.*

##### **Foreign company registered under the Companies Act**

###### **Required documents**

- I. Copy of certificate of registration
- II. Copy of share capital
- III. Articles of association
- IV. Business location sketch map.

**Cost:** Free

**Duration:** 1–5 working days

**Document issued:** TPIN certificate

##### **Partnership firm registered under the Business Names Act**

###### **Required documents**

- I. Certificate of registration
- II. Statement of particulars-approved by the registrar
- III. Completed form TPIN 2
- IV. Company location sketch map.

**Cost:** Free

**Duration:** 1–5 working days

**Document issued:** TPIN certificate



### WHO REGISTERS FOR TPIN?

- I. Companies or partnership businesses
- II. Individuals
- III. Other entities

### INCOME TAX REGISTRATION

Having registered for TPIN, a taxpayer will be required to register for income tax. Taxpayers whose turnover is less than ZMK 800,000 (\$80,000) in a charge year will register for turnover tax. Those taxpayers whose turnover is more than ZMK 800,000 (\$80,000) will register for normal income tax. This is applicable to individuals and limited companies.

*Note: Partnerships do not fall under a turnover tax regardless of their turnover being below ZMK 800,000 (\$80,000).*

However, partnerships will register for income tax to facilitate the receipt of partnership annual returns on the Integrated Tax Administration System (ITAS) at the end of the charge year. Partners will register for income tax separately, as they will be taxed according to their profit sharing ratios. It is extremely important for every person in business who registers for a TPIN to register for income tax, because that is where tax is accounted for.

### PAYE (PAY AS YOU EARN) REGISTRATION

The PAYE account is also issued through a prescribed ZRA application form. PAYE applies to individuals, companies and partnerships, etc. who have employees. Upon registration for PAYE, they will be given a PAYE account, which they will use to remit PAYE deducted from their employees' salaries every month.

### VAT REGISTRATION

#### Requirements

#### Existing business

A company should provide proof of timely payments of income tax in the last 12 months. Reinstatement will require all liabilities on the old account to be settled and the old certificate to be surrendered to the authority.

- I. Latest financial statements (for businesses whose threshold is above 800,000) and projected cash flow for one year;
- II. Sketch map of the business location;
- III. Copy of certificate of incorporation or registration of the business;

- IV. Tax clearance certificate;
- V. VAT knowledge form;
- VI. Latest bank statements covering a period of three months.

#### New business

The business will be required to submit a provisional income tax return and pay the first quarter payment where applicable before registration.

**Cost:** Free

**Duration:** 1 day

**Document issued:** VAT certificate

#### Requirements

- I. Sketch map of the business location;
- II. Proof of ownership or tenancy of the business premises;
- III. Latest bank statements covering a period of three months;
- IV. Business plan and projected cash flow for one year;
- V. Certificate of incorporation or registration of the business (copy);
- VI. Tax clearance certificate (copy);
- VII. VAT knowledge form;
- VIII. Application forms are free of charge;
- IX. The registration process takes a maximum of three days;
- X. Registration notices are issued for every tax type and certificates issued where applicable;
- XI. Late registration attracts penalties.

After registering for taxes, one must observe all post-registration requirements, failure to which penalties apply. For VAT, the effective date of registration (EDR) is the date when the business is considered as having started charging VAT.

*Note: For voluntary registration: The business will be required to renew the registration every 12 months by notifying the Commissioner-General in writing 30 days before the expiry of the 12-month period of the intention to renew the registration. There are no specific additional registration or approval processes that are required with the Customs authorities in the Republic of Zambia. Hence, no other permissions are required for foreign direct investment in the light manufacturing and agroprocessing sectors.*



## ANNEX IV: BANKING IN THE REPUBLIC OF ZAMBIA

### Issuing authority:

#### Bank of Zambia

The Bank of Zambia  
Bank Square, Cairo Road  
P.O. Box 30080  
Lusaka  
<http://www.boz.zm>

#### a) Foreign exchange control processes

The Zambian currency is the Kwacha. The Kwacha rates can fluctuate significantly. The Republic of Zambia has a free market economy with no exchange controls. Major currencies can be bought and sold over the counter at bureau de change companies and banks in the country. Money exchange services are available in cities and towns across the country and most will publish their Kwacha exchange rates in-store.

Exchange rates will vary from day to day, so ensure that you use a credible service provider; select the type of service you are looking for and relevant companies will be presented. Bank accounts may be held in local or foreign currency, and funds are easily transferred out of the country or held offshore. Amounts of more than \$5,000, carried in or out in cash or traveller's cheques, must be declared. Commercial banks and bureau de change operators restrict issuance of over-the-counter cash to \$5,000 per transaction.

The Bank of Zambia (BoZ) is the central bank of the Republic of Zambia and derives its functions and powers from the Bank of Zambia Act No. 43 of 1996 and the Banking and Financial Services Act, Chapter 387 of the Laws of Zambia. The bank's mission statement is to achieve and maintain price and financial system stability to foster sustainable economic development.

The BoZ is responsible for the management of the country's foreign exchange reserves and participates in open market operations to either build up reserves or to smooth exchange rate volatility.

#### b) Banking

The Bank of Zambia aims to provide excellent banking services to its clients. It fulfils the following functions through the banking division:

- I. Banker to the government
- II. Banker to commercial banks
- III. Settlement agent.

#### c) Currency management

The Bank of Zambia has the sole right to issue bank notes and coins in the country. Its key role is to gain and maintain public confidence in the currency. Subsequently, the currency division is responsible for the designing and ordering of banknotes and coins to meet the country's demand. The bank has an objective to ensure that there is only clean money in circulation. Further, it is the responsibility of the currency division to ensure that there is always an adequate stock of banknotes and coins available in all denominations and that there is a good distribution system to reach the various sectors of the economy. This is achieved by making sure that all regions are supplied with clean banknotes and coins. The bank has several cash centres around the country for timely and efficient currency distribution and collection of unfit banknotes.



#### d) Lending facilities

The Development Bank of Zambia (DBZ) offers lending facilities to local business enterprises. The lines of credit available and key facility requirements are listed in the table below.

Description	Details		
i) Line of credit	China Development Bank (CDB)	Industrial Development Corporation (IDC)	Africa Development Bank (AfDB)
ii) Total facility amount	\$30 million	\$20 million	\$25 million ZMK 248 535 000
iii) Target companies	SMEs	SMEs	SMEs
iv) Key facility requirement	Twenty per cent of the requested amount to be paid into an Escrow account as cash – collateral. Amount to be reimbursed in line with the level of repayments	Fifty per cent of capital purchases should originate from the Republic of South Africa	Adherence to environmental and social policies and guidelines

The major banks invite applications from eligible Zambian businesses for these services and other details on the application requirements are available on various banking websites such as [www.dbz.co.zm](http://www.dbz.co.zm). Please take note that the minimum acceptable loan amount is \$100,000 or ZMK 1 million.

#### e) Services offered by banks

##### TRANSACTIONAL ACCOUNTS

Banks offer a variety of transactional accounts.

- I. Gold account
- II. Silver account
- III. Private banking
- IV. Offshore banking.

##### BORROWING

Banks offer a wide range of loan products to help meet both your short- and long-term needs.

- I. Fixed-term loan
- II. Home loans
- III. Revolving term loan
- IV. Guaranteed overdraft.

##### SAVING AND INVESTING

Banks offer a wide range of savings and investment accounts that earn attractive and competitive interest rates.

- I. Call account
- II. Bonus deposit
- III. Contract save
- IV. Fixed deposit.

##### SELF-SERVICE BANKING

There is a wide range of self-serving banking solutions to meet your needs; bank wherever you are.

- I. ATMs
- II. Cell phone banking
- III. Internet banking.

## BANK ASSURANCE

- I. Homeowner's protection plan
- II. Home loan protection plan
- III. Personal loan protection plan.

## OPENING A BANK ACCOUNT

**Issuing authority:** Commercial banks in the Republic of Zambia

- I. AB Bank Zambia Limited
- II. Atlas Mara (formerly BancABC and Finance Bank)
- III. Bank of China (Zambia) Limited
- IV. Barclays Bank Zambia
- V. Cavmont Bank Limited
- VI. Citibank Zambia Limited
- VII. Ecobank Zambia Limited
- VIII. First Alliance Bank Zambia Limited
- IX. First National Bank of Zambia Limited
- X. Indo Zambia Bank Limited
- XI. Intermarket Bank
- XII. International Commercial Bank
- XIII. Investrust Bank PLC
- XIV. Stanbic Bank Zambia Limited
- XV. Standard Chartered Bank Zambia Plc
- XVI. United Bank for Africa Zambia Limited
- XVII. Zambia National Commercial Bank Plc (ZANACO)

## LIST OF COMMERCIAL BANKS WITH CHINESE DESKS

- I. Bank of China
- II. Stanbic Bank Zambia Limited
- III. Standard Chartered Bank Zambia Plc
- IV. Barclays Bank Zambia
- V. Zambia National Commercial Bank Plc (ZANACO)
- VI. Ecobank Zambia Limited

## Business accounts

### Requirements

- I. Application letter to the bank and application form from the bank (where applicable);
- II. Company documents (certificate of incorporation; certificate of share capital);
- III. Utility bills in confirmation of the address and business premises;
- IV. Recommendation letters from at least three companies banking with the bank of your choice;
- V. List of directors such as Form 2 and Form 5 from PACRA;
- VI. ZRA TPIN and tax clearance certificate;
- VII. Company board resolution;
- VIII. Mandatory Signature forms;
- IX. Passport photos and copies of IDs for directors and signatories if foreigners' work permits are needed as well;
- X. PACRA company printout (latest);
- XI. Company profile and projected cash flow (where applicable);
- XII. Articles of association;
- XIII. Identify the type of account one intends to open by going to the bank and enquiring about the services being offered, account types and charges;
- XIV. Submit application for account opening.

The standard requirements for opening a bank account in the Republic of Zambia include:

**Cost:** Free

**Duration:** 1–5 working days

**Document issued:** Bank account number

## Personal accounts

### Requirements

- I. Passport and identity cards NRC
- II. Passport photo
- III. Taxpayer's identification number (TPIN) certificate
- IV. Contact details
- V. Proof of physical address (utility bills or tenancy agreement)
- VI. Confirmation letter (where applicable).

**Cost:** Free

**Duration:** 1–5 working days

**Document issued:** Bank account number, ATM card and cheque book



## ANNEX V: LAND TRANSFER PROCEDURES

### Issuing authority:

#### Ministry of Lands and Natural Resources and Environmental Protection

Independence Avenue

P.O. Box 50042

Lusaka

<http://www.mlnrep.gov.zm>

### a) Land considerations

There are two categories of land in the Republic of Zambia:

- I.** State land – comprising only 6% of land in the country. The land is zoned into residential, commercial or industrial use by the district councils according to their jurisdictions;
- II.** Customary land – approximately 94% of all land in the Republic of Zambia is held under this system of tenure. Such land falls under the jurisdiction of the traditional chiefs.

### b) Systems of tenure

There are only two types of tenure in the Republic of Zambia. These are leasehold and customary tenure. The country has no freehold tenure system. The leasehold tenure runs for 99 years and is renewable for a further 99 years. Furthermore, renewal is possible if there is no breach of the conditions in the existing agreement. Land in the customary area can be converted to leasehold – thus allowing it to be used as collateral. Under the 1995 Act, land now has value and can be sold even without improvement on the land.

Before land can be bought or sold, 'state consent' must be obtained. The consent is issued by the Commissioner of Lands upon application. If consent is not granted within 45 days of filing the application, the application is deemed granted. If consent is refused, the reasons for refusal must be furnished to the applicant within 30 days.

Acquisition of land in an area designated as state land will require consent of the relevant district council. Land that does not fall within the jurisdiction of any council can be alienated upon direct application to the Commissioner of Lands. He will then make a formal offer to the applicant, which will contain similar conditions to those contained in the offer made for an application of land situated in the customary area.

*Note: These approvals, once obtained, should be submitted to the relevant district council, which will*

*submit the documents to the Commissioner of Lands. The Commissioner will then make a formal offer to the applicant. The letter of offer will stipulate, among other conditions:*

- I.** The consideration fee: This is not a fixed amount and is dependent upon locality, services provided by the state or council and other related factors;
- II.** Survey requirements: This can be carried out by a private or governmental surveyor. Submission of a diagram or plan attached to the lease agreement is a mandatory requirement prior to issuance of the certificate of title;
- III.** Preparation fee: The office of the Commissioner of Lands charges fees for preparation of the lease. These fees are fixed through statutory instruments, but are subject to change;
- IV.** Registration fee: Charged by the Lands and Deeds Registry before lease is registered and the certificate issued;
- V.** Property transfer tax: This is 10% of the value of land and is paid to the Zambia Revenue Authority by the vendor;
- VI.** No tax is payable where land is acquired from the state. Upon acceptance of the offer and payment of these charges, a 99-year lease to transfer the title will be prepared and, if the land is already surveyed, the title deeds will be issued within 60 days. If not surveyed, the process can take up to three months or more.

### c) Lands tribunal

The Lands Act of 1995 also provides for establishment of a lands tribunal to speed up the resolution of land disputes. The tribunal is headed by a person who is qualified to be a judge of the High Court. The tribunal's decision is subject to appeal to the Supreme Court within 30 days of the decision.

### d) Land for investment

ZDA is in the process of setting up land banks for investment in the priority sectors. The land banks comprise already demarcated plots and the process of acquiring these plots is fast-traced from application for the land on behalf of the licensed investor, to approvals from the local authorities, up to the Commissioner of Lands. The following land categories are available for investment in the Republic of Zambia.



#### e) **Agricultural land**

The government has embarked on a development programme through opening up new farm blocks for commercial development and expansion of the agriculture sector. The following farm blocks were identified for potential investors: Chambishi, Lusaka East, Lusaka South, Lumwana and Ndola (Sub-Sahara Gemstone Exchange Industrial Park) and Roma Park.

#### f) **Land acquisition and transfer**

Land can be acquired and transferred in the Republic of Zambia in the following ways:

##### **ACQUISITION OF STATE LAND BY NON-ZAMBIANS**

A non-Zambian can acquire land under the following conditions:

- I.** He or she is a permanent resident in the Republic of Zambia;
- II.** He or she is an investor within the meaning of the ZDA Act or any other law pertaining to investment in the Republic of Zambia;
- III.** In exceptional cases, by presidential consent in writing;
- IV.** A person registers a company under the Companies Act, with no less than 75% Zambian shareholding;
- V.** Title deed will be issued in the name of the registered company;
- VI.** Under a short-term tenancy of not more than five years;
- VII.** If the person is granted concession or right – under the National Parks and Wildlife Act.

##### **Requirements**

- 1) One has to identify the land one wishes to purchase and negotiate the price with the potential seller, the owner of the land on title, if it's in private hands and get a copy of the original title from the seller.
- 2) Hire a registered lawyer to carry out due diligence on the land. A list of registered Zambian lawyers can be found on <http://www.laz.org.zm>.

- 3) The lawyer will then proceed to conduct an official land search at the Ministry of Lands offices to establish the true owner of the land and to make sure that the land is free of any encumbrances.
- 4) The purchaser will request the seller to instruct his lawyer to draft a sale agreement, which will then be forwarded to the purchaser's lawyer for further review.
- 5) The seller's lawyer will then invite the buyer to sign the sale agreement.
- 6) The seller and his lawyer will proceed to obtain the land registration documents, which include:
  - a) Consent to assign (consent is issued by the Ministry of Lands);
  - b) Ground rates clearance certificate issued by the local council to show that all rates accruing on the land have been fully paid;
  - c) Land rent clearance certificate from the Ministry of Lands to indicate that all outstanding ground rates have been fully paid.
- 7) After the consent to assign land has been issued, the purchaser's lawyer drafts the transfer documents, sends it to the client for review and then forwards it to the seller's lawyer for execution by the seller.
- 8) The seller then signs the documents and his lawyer forwards the land registration documents to the buyer's lawyer. These documents also include the original title of the parcel of land, land consent, certificate of incorporation and compliance of the company, Zambia Revenue Authority TPIN for the company and the identification document or passport for the directors of the company or the individual and three colour passport photos for each director.

*NB: Non-citizens need to have the ZRA TPIN in order to effectively transfer the land.*

- 9) The buyer's lawyer will then submit the transfer document for valuation by the Ministry of Lands. A government valuer will value the land and then the buyer will be required to pay property transfer tax, which is pegged at 5%.

**Do:** One is required to obtain the Zambia Revenue Authority payment slip from the online tax portal before one can proceed to make payments at the bank.



- 10) Upon payment of the property transfer tax, the transfer document is submitted to the Ministry of Lands and Natural Resources and Environmental Protection offices for checking for completeness. This can take 1–3 days.
- 11) Upon checking for completeness of the documents, the buyer's lawyer will submit them for registration upon payment of the consent fee. The registration of the transfer takes 2–4 weeks.
- 12) Upon registration of the transfer, the certificate of title or lease will bear the name of the buyer, who will be considered as the legal and beneficial owner of the land.

#### ACQUISITION OF CUSTOMARY LAND

In order to acquire land in a customary area, one will be required to do the following:

##### Requirements

- I. The written consent of the area chief;
- II. Approval of the district council in the area;
- III. Additional approval from the Director of National Parks and Wildlife, if the land is in a game management area.

#### PURCHASE OF PRIVATE LAND

Land in private ownership can be bought and sold and title deeds issued by the Commissioner of Lands. In all instances, 'state consent' will have to be obtained by the vendor before title deeds can pass to the purchaser.

The consent is issued by the Commissioner of Lands on application. If consent is not granted within 45 days of filing the application, the application is deemed to be granted. If consent is refused, the reasons for refusal must be furnished to the applicant within 30 days.

*Note: These approvals, once obtained, should be submitted to the relevant district council, which will submit the documents to the Commissioner of Lands. The Commissioner will then make a formal offer to the applicant. The letter of offer will stipulate, among other conditions:*



**Consideration fee** – This is not a fixed amount and is dependent upon locality, services provided by the state or council and other related factors.

**Survey requirements** – This can be carried out by a registered private or government surveyor. Submission of a diagram or plan attached to the lease agreement is a mandatory requirement prior to issuance of the certificate of title.

**Preparation fee** – The office of the Commissioner of Lands charges fees for preparation of the lease. These fees are fixed through statutory instruments, but are subject to change.

**Registration fee** – Charged by the Lands and Deeds Registry before the lease is registered and the certificate issued.

**Property transfer tax** – This is 5% of the value of land and is paid to the Zambia Revenue Authority by the vendor.

**Cost:** This varies with the locality of the land

**Duration:** 10 working days

**Document issued:** Title deed or lease agreement

## ANNEX VI: CONSTRUCTION PERMITS

### Issuing authority:

#### Lusaka City Council (LCC)

Independence Avenue

Lusaka

<https://www.lcc.gov.zm/city-planning/>

### Requirements

**I.** Contract an architect to draw the architectural drawings. A list of licensed architects is available from:

<https://www.Zambiayp.com/companies/Architects> and <https://www.zia.org.zm>;

**II.** The architect registers with the Lusaka City Planning department and uploads the architectural drawings into the City Planning Registry. The architect is required to upload the following documents:

- a) Architectural drawing;
- b) Disclaimer form in case there is excess coverage;
- c) Land survey plan;
- d) Land rates clearance receipt.

**III.** Proof of land ownership. Collect a construction payment invoice within 1–3 days from the City Council. This invoice is sent to the architect, who will then forward it to the investor for payment of the fees;

**IV.** Payment of the construction permit fees. The fee is not standard and depends on the size and type of building being erected. The banker's cheque or cash for the total fee should be addressed and paid to the Lusaka City Council accounts office.

**V.** Obtain the architectural plans approval notification. This is usually sent to the architect's e-mail or through collection from the registry. The approval takes a minimum of 30 days for issuance;

**VI.** Submit the architectural drawings and the notification of approval for signature at the Lusaka City Council offices, Department of City Planning. It takes approximately 30 days for the drawings to be signed, after which the architect can collect the authenticated drawings and approval;

**VII.** The structural engineer will then work together with the architect in order to upload the structural plans into the Lusaka City Council registry;

**VIII.** Obtain the authenticated structural plans and approved certificate of structural design. During collection, the architect or structural engineer will be required to present the application reference number that was issued when they submitted the application;

**IX.** Register the project with the National Council for Construction.

**Cost:** ZMK 400 (\$40)

**Duration:** 30 working days

**Document issued:** Construction permit

#### a) Structural engineering in the Republic of Zambia

Structural engineers are selected from a pool of already registered engineers in the Republic of Zambia. From the information below, you will find gazetted engineering professionals and organizations allowed to practice and carry out engineering works in the Republic of Zambia. More information can be obtained from the secretariat at:

eiz@eiz.org.zm  
No. CL/7, Brentwood Drive  
Old Brentwood  
P.O. Box 51084  
Lusaka



## ANNEX VII: OBTAINING WORKSPACE IN THE REPUBLIC OF ZAMBIA

### Issuing authority:

#### Local and international real estate agents

Zambia Institute of Estate Agents  
Farmers House, Central Par  
Cairo Road  
[www.ziea.org](http://www.ziea.org)

### LIST OF REAL ESTATE AGENTS IN THE REPUBLIC OF ZAMBIA

- I. Real Estates Investments Zambia (<http://reiz.co.zm>)
- II. Pam Golding
- III. Knight Frank
- IV. Sherwood Greene.

### Requirements

- I. Fully filled-in tenancy or purchasing application form;
- II. Copy of ID card or passport;
- III. Copy of PIN certificate;
- IV. Business registration or incorporation certificate;
- V. Two passport-sized colour photographs;
- VI. Business permit;
- VII. Copies of Memorandum of Understanding and articles of association for limited company.
- VIII. Rent Memorandum showing the company business activity and size of space required

**Cost:** Service fee varies from company to company

**Duration:** 1–7 working days

**Document issued:** N/A

## ANNEX VIII: ELECTRICITY CONNECTION

### Issuing authority:

#### ZESCO

Plot 6949  
Great East Road  
P.O. Box 33304  
Lusaka  
<http://www.zesco.co.zm/>

**Electricity connection procedure:** When you require electricity supply to be connected at your premises, here is a step by step procedure on the dos and don'ts:

### Requirements

**1. Obtaining application forms** – Visit any customer service centre or ZESCO office and collect two forms – the customer application form and the supply inquiry form. The forms are provided at no cost. This form is to be filled in by a qualified electrician to certify that the wiring of your premises is sound as well as provide details of the proposed energy requirements.

**2. Customer application forms** – Carefully read and correctly fill in the form. If unsure of certain details, ask the customer services officer for help. Attach to this form the map clearly highlighting the location of the premises you want supplied with power – this will make it easy for ZESCO to locate the place for site inspection. The map could include landmarks where they exist and the location of the existing ZESCO network. Do not give wrong information on the kind of job; i.e. standard or non-standard – this could result in cancellation of the application and you would be required to start the process over again.

**3. Submission of filled-in forms** – Submit the correctly filled-in forms to a customer services centre or ZESCO office. Once your application form has been processed, a 14-digit work reference number that starts with the letter 'P' will be given to you. This is your reference number that you will use to follow up on the status of your application. You can follow up through the call centre and at any ZESCO customer service centre or office; it does not have to be where you submitted your forms. Do not apply for electricity supply on undeveloped land (farm or plot) or an incomplete building. This will create an artificial backlog and perceived delays in connections.

**4. Site visit** – Once you have submitted your application form, ZESCO will visit your premises to ascertain the feasibility of supplying quality and safe power. They will look at the existing capacity (i.e. available transformer and poles, etc.) in the area.

**5. Standard job** – Where the pole (point of supply) is within 30 metres or below from the premises. Non-standard job – where the pole is more than 30 metres away and requires a pole or more to connect to your premises. Do not ask another person to fill in this form for you. Customers who engage and entrust another person to transact for them risk being swindled.

**6. Quotation** – Once you have submitted your application and a thorough site inspection has been done, a quotation will be generated upon which your payment will be based. The quotation is valid for 90 days. As a prospective customer, you should not pay anyone for the quotation.

**7. Payments** – Make your payment only at a ZESCO customer services centre or office and ensure to collect a correctly written ZESCO official receipt.

**8. Connections** – Do not make any connections that are not authorized by ZESCO. If discovered, you will be arrested for fraudulent appropriation of power under Cap. 87, Section 290 of the Laws of Zambia, which states that: 'Any person who fraudulently abstracts or diverts to his own use of any other person any mechanical, illuminating, or electrical power derived from any machine, apparatus, or substance, the property or another, is guilty of a felony and liable to imprisonment for five years.'

**Cost:** Refer to power utility, Annex VIII.

**Duration:** 30 days

**Document issued:** Connection certificate

**See Appendix VIII for electricity tariffs.**

## ANNEX IX: WATER CONNECTION

### Issuing authority:

#### Lusaka Water and Sewerage Company

Plot 871/2  
Rhodespark  
Katemo Road  
Lusaka  
<http://www.lwsc.com.zm/>

Piped water is supplied directly to customers' homes. To have a new connection, a customer has to visit any of the Lusaka Water and Sewerage Company's service centres and will be guided through the entire process.

- I. Developers are advised to fill in water and sewer connection application forms at any customer service centre and attach a survey diagram;
- II. The water and sewer application is approved or not approved within 10 days;
- III. For approved applications, a quotation is given to the customer to open an account and pay for a new connection.

#### a) Account opening process

A customer must obtain an account opening form from any of the Lusaka Water and Sewerage Company service centres (Civic Centre, Chilenje, Rhodes Park and Chelstone, etc.) and attach the following.

#### Requirements

##### FOR COMMERCIAL CUSTOMERS

- I. Copy of title deed or proof of ownership
- II. Copy of certificate of incorporation.

##### FOR DOMESTIC CUSTOMERS

- I. A copy of title deed or proof of ownership
- II. A copy of national registration card.

Locate the nearest LWSC branch to get started.  
**See Appendix II for water tariffs costs.**



## ANNEX X: OBTAINING BUSINESS PERMITS

### Issuing authority:

#### Lusaka City Council

Civic Centre  
Independence Avenue  
Lusaka  
<https://www.lcc.gov.zm>

#### a) Health clearance and food hygiene license

##### Requirements

- 1) Apply for a food hygiene license at the Lusaka City Council Public Health Department offices or any other district office in the Republic of Zambia. For more information, visit: <https://www.lcc.gov.zm/public-health/>;
- 2) Collect application form for food hygiene license at the Lusaka City Council;
- 3) Premises inspection. The Lusaka City Council officials will then conduct a premises inspection to ascertain whether the premises is hygienic and meets the required standard. Once the premises and the occupants meet the standards (medical certificates for the food handlers and protective clothing, etc.), the investor will be advised to collect the health clearance certificate from the Lusaka City Council Public Health office;
- 4) Obtain health clearance certificate. The certificate will take 1–2 days to be processed and issued;
- 5) The investor will then be required to pay for the food hygiene license.
- 6) Obtain food hygiene license;
- 7) Apply for food hygiene license at the county offices.

**Duration:** 1–5 working days

##### Cost:

- I. Food and Hygiene ZMK 1,400 (\$140)
- II. Health clearance ZMK 1,400 (\$140)

**Document issued:** Health permit

#### b) Fire certificate

##### Requirements

- 1) Apply for a fire certificate at the Lusaka City Council Fire Department office or any other district fire services office in the Republic of Zambia. For more information, visit: <https://www.lcc.gov.zm>.
- 2) Collect the application form for the fire certificate at the Lusaka City Council Fire and Rescue Service office or any other district office.
- 3) Provide applicant's proof of business premises.
- 4) Maximum number of occupants to be on the premises at any one time.
- 5) Approximate date of completion of construction of premises.
- 6) Final inspection by fire inspectors and clearance of premises for occupancy.

**Duration:** 1–5 working days

**Costs:** ZMK 1,610.5 (\$160)

**Document issued:** Fire certificate

#### c) Manufacturers' business levy

##### Requirements

- 1) Apply for a manufacturer's permit at the Lusaka City Council Business Levy department offices or any other district office in the Republic of Zambia. For more information, visit: <https://www.lcc.gov.zm>.
- 2) Obtain the levy form from the licensing officer at Lusaka City Council website.
- 3) Provide the proof of residence/business place of the company.



- 4) Zambian or non-Zambian companies should attach the following the documents:
- Investment license
  - Identity card or passport
  - ZRA tax clearance certificate/TPIN
  - Certificate of incorporation
- 5) Description of goods and services to be provided by the company.

**Duration:** 1 – 2 working days

**Costs:**

- a) Across the board: ZMK 2,499.90 (\$249.09)
- b) Personal levy fee of ZMK 2,499.90 (\$249.09) plus (No. of employees X ZMK 15 (\$1.5))
- c) Penalty for late renewals: ZMK 450 (\$45).

*\* Please note that the business levy permit is valid for a year and is renewed annually. Further, the personal levy fee varies, but is payable across the board to cater for all the fees charged.*

**Document issued:** Manufacturer's permit

## ANNEX XI: EMISSION AND HAZARDOUS WASTE LICENSE

**Issuing authority:**

**Zambia Environmental Management Agency**

Corner Church and Suez Roads

Plot No. 6975

Lusaka

<http://www.zema.org.zm/>

**Requirements**

*NB: All the required documents can be obtained from: <http://www.zema.org.zm/index.php/publications/forms/>.*

**I.** Pay application fees to the Zambia Environmental Management Agency (ZEMA);

**II.** Fill in and submit application forms for emission and discharge license from: <http://www.zema.org.zm/index.php/publications/forms/>.

**Requirements**

- 1) Duly filled-in application form
- 2) Effluent analysis report
- 3) Certificate of incorporation
- 4) Waste water treatment plant design highlights
- 5) Valid ID
- 6) Site plan layout indicating sampling points
- 7) Copy of taxpayer identification number
- 8) Payment deposit slip for the fees
- 9) Copy of environmental impact statement and environmental project brief

**III.** Pay license fees

**IV.** Obtain effluent discharge license.

**Duration:** 28 days

**Cost:** It depends on the amount of waste and emissions.

**Document issued:** Effluent discharge permit



## ANNEX XII: LABOUR

### Issuing authority:

#### Ministry of Labour and Social Security

New Government Complex  
Independence Avenue  
P.O. Box 32186  
Lusaka  
<http://www.mlss.gov.zm>

The Department of Labour under the Ministry of Labour and Social Security is responsible for formulation of labour policy. The department administers the statutes governing employer and employee relations. The major pieces of legislation relating to the labour market in the Republic of Zambia include:

- The Employment Act Cap. 268 is the basic employment law and provides basic employment contractual terms such as:
  - I. Minimum contractual age;
  - II. Establishment of employment contracts;
  - III. Settlement of disputes arising from such contracts of employment;
  - IV. The appointment of labour officers and other staff for the administration of the Act;
  - V. Certain conditions of employment such as ordinary leave, sick leave, maternity, redundancy and welfare of employees.
- The Industrial and Labour Relations Act Cap. 269 provides for:
  - I. The conduct of industrial relations;
  - II. The establishment of workers' and employers' organizations, their registration and administration;
  - III. Collective bargaining;
  - IV. Settlement of disputes through conciliation and arbitration by the Industrial Relations Court, established under the Act;
  - V. Consultative machinery.

The Zambia Federation of Employers (ZFE) (<http://www.zfe.co.zm>) is an umbrella organization for employers that looks after employers' interests. Additionally, the ZFE is represented at the Tripartite Consultative Labor Council, a body comprising representatives from the Ministry of Labour and Social Security (<http://www.mlss.gov.zm>)

and the unions (through an umbrella body, the Zambia Congress of Trade Unions (ZCTU). The Minimum Wages and Conditions of Employment Act Cap. 276 empowers the minister to determine minimum conditions of employment for categories of employees not effectively covered through collective bargaining. Such employees include general workers, drivers and clerks.

- The Employment of Young Persons and Children Act Cap. 274 provides protection for young persons and children in the employment relationship. It is the major law against child labour and abuse.
- The Employment (Special Provisions) Act Cap. 270 is an enabling Act and may be activated only when a state of emergency is in place. Under this Act, various regulations may be promulgated with regard to labour and employment.

### a) Working conditions

There are normally two categories of employees, namely unionized and non-unionized (management) staff. Conditions of service for non-unionized employees are normally fixed by top management, while those for unionized employees are negotiated through a collective bargain or agreement. The Minimum Wage and Conditions of Work Act provides a mechanism for determining statutory minimum wages and other conditions of employment in industries or companies where conditions of employment are not regulated by a free collective bargaining system.

Allowances, which are commonly added to the basic salary, include:

- I. Housing
- II. Transport
- III. Children's medical and education
- IV. Water, electricity and holiday travel (usually for senior management staff).

*NB: All allowances are taxable at the same rate as the basic salary. Other common non-cash benefits may include: transport to and from work, subsidized meals in staff canteen and sporting and recreation facilities.*

#### **b) Pensions and life insurance**

Membership of a pension scheme may be a condition of employment and most employers maintain a pension scheme for their employees with the National Pension Scheme Authority (NAPSA). Employers may establish or join other pension schemes under the Pension Scheme Regulation Act.

#### **c) Medical coverage and maternity benefits**

Employers are obliged, by the Minimum Wages and Conditions of Employment Act, to grant an employee full pay should illness make the employee unable to work, subject to production of a certificate from a registered physician. The maximum period for which such benefit may be given is three months at full pay, followed by three months at half pay. Some employers provide health and medical coverage through membership to private clinics to which the employee and employer contribute equally.

The Act also requires that maternity leave for female employees be paid up to 90 days provided such female employees have worked for a minimum of 24 months for their employers.

#### **d) Housing**

The Employment Act requires employers to provide employees with one of the following:

- I. Housing or housing allowance in lieu thereof;**
- II. House loan or advance towards the purchase or construction of a house;**
- III. Guarantee facility for a mortgage.**

#### **e) Working hours**

Normal working hours are 40 hours per week for office workers and 45 hours per week for factory workers. Office hours are normally from 8:00 to 17:00 Mondays through Fridays and 8:00 to 13:00 on Saturdays (for most companies outside the retail sector). The normal weekly hours should not exceed 48 hours.

#### **f) Minimum Wages and Conditions of Employment Act**

*NB: Overtime work should be paid using the following formula:*

- Saturdays, lunch hours and after 17 hours – basic pay multiplied by 1.5 divided by number of hours worked;
- Sundays and all public holidays – basic pay multiplied by 2 divided by 160.

#### **g) Paid holidays**

Employers are obliged, under the Minimum Wages and Employment Act, to grant paid leave of absence of not less than 24 days annually. It is, however, a normal practice for employers to provide employees with more leave days than that prescribed in the Act depending on the rank and nature of the employee's job.

#### **h) Special leave**

Employers are obliged, under the Minimum Wages and Conditions of Employment Act, to grant an employee seven days' paid leave on the death of an employee's spouse, child, mother or father. The Act also obliges the employer to provide a funeral grant for a standard coffin, cash and mealie meal in the event of death of an employee, spouse, registered child or dependent of the employee.

#### **i) Termination of employment**

A contract of employment may be terminated under Zambian law through:

- I. Resignation or dismissal**
- II. Normal retirement or medical discharge**
- III. Expiry of contract**
- IV. Redundancy**
- V. Frustration, such as death.**

An employer is obliged, under Section 26A of Statutory Instrument No. 15 of 1997, to afford an employee the opportunity to be heard prior to termination of the contract of employment, if the termination is on grounds related to the employee's conduct or performance. This obligation on the part of the employer is in conformity with the International Labour Organization convention.

Zambian law further provides for the minimum benefits payable to the affected employee, and requires payment of full wages for an employee declared redundant until the redundancy benefits are paid ([see <http://10.130.24.197:6610/www.parliament.gov.zm/sites/default/files/documents/acts/Employment%20Act.pdf>](http://10.130.24.197:6610/www.parliament.gov.zm/sites/default/files/documents/acts/Employment%20Act.pdf)).

#### **j) Redundancy benefits**

The employer is obliged to pay at least one month's salary and redundancy benefits of not less than two months' basic salary for each completed year of service.

#### **k) Equal opportunities**

Zambian law, as enshrined in the constitution and practice, prohibits discrimination on the basis of race, tribe, political opinion, colour, creed or gender.



## ANNEX XIII: IMMIGRATION

### Issuing authority:

#### Zambia Department of Immigration

Kent Building  
Haile Selassie Road  
P.O. Box 50300  
Lusaka

<http://www.Zambiaimmigration.gov.zm>

#### a) E-visa registration

In two steps, your e-visa is ready!

**Step 1:** Fill in the required details and apply online for your visa to the Republic of Zambia. Your application is reviewed and processed by the Zambia Department of Immigration.

**Step 2:** Download and check the status of your application, and download the visa authorization letter; track the letter. The electronic visa (e-visa) is an online facility for applying for visas to the Republic of Zambia.

All persons who ordinarily require a visa to come to the country are eligible to apply for visas through this facility. The applicant will be required to submit the following information, online.

#### Requirements

**Step 1:** Fill out the secure online application form and confirm your application. Enter the exact personal information of the applicant(s) and check for a confirmation mail sent to your e-mail address. Access the provided link to confirm and activate your application. You can track the progress of your application on the e-visa portal.

**Step 2:** Get approval letter and prepare to get your visa sticker upon arrival into the country. Within 3–5 working days, depending on category, you receive feedback via e-mail. You may also download visa approval or rejection letters directly from the e-visa tracing facility.

**Step 3:** Making entry into the Republic of Zambia (payment and getting visa sticker). Upon arrival at the port of entry, you present your passport and visa approval letter, and pay the visa fee to the immigration officer to get your visa sticker affixed in your passport.

PURPOSE	REQUIRED DOCUMENTS (JPG OR PNG FORMATS)
<b>Business</b>	<ul style="list-style-type: none"> <li>I. Passport-sized photo;</li> <li>II. Copy of applicant's passport;</li> <li>III. Cover letter on company letterhead with full address and contact numbers addressed to the Director General of Immigration;</li> <li>IV. Invitation from host company; and</li> <li>V. Certified copy of certificate of incorporation for host company.</li> </ul>
<b>Official</b>	<ul style="list-style-type: none"> <li>■ Passport-sized photo;</li> <li>■ Copy of applicant's passport;</li> <li>■ Cover letter on host institution's (government) letterhead with full address and contact numbers addressed to the Director General of Immigration; and</li> <li>■ Copy of return air ticket.</li> </ul>

<b>School</b>	<ul style="list-style-type: none"> <li>■ Passport-sized photo;</li> <li>■ Copy of applicant's passport;</li> <li>■ Cover letter on school letterhead with full address and contact numbers addressed to the Director General of Immigration;</li> <li>■ Acceptance letter from university, college or school; and</li> <li>■ Copy of status of host, parents or guardian, if any.</li> </ul>
<b>Transit</b>	<ul style="list-style-type: none"> <li>■ Passport-sized photo;</li> <li>■ Copy of applicant's passport; and</li> <li>■ Cover letter from applicant addressed to the Director General of Immigration, which must be signed by the author.</li> </ul>
<b>Visitor</b>	<ol style="list-style-type: none"> <li>I. Copy of applicant's passport;</li> <li>II. Passport-sized photo;</li> <li>III. Cover letter from host in the Republic of Zambia addressed to the Director General of Immigration, which must include full physical address and phone number of host and must be signed by the author;</li> <li>IV. Status of host; i.e. copy of the National Registration Card or Zambian immigration permit. Note that persons on study, visiting, temporary employment permit and temporal permits cannot invite visitors; and</li> <li>V. Copy of return air ticket.</li> </ol>

#### b) Ordinary visas

- I. Single entry** – applicant can stay in the Republic of Zambia for 90 days during a given calendar year from the date of entry into the country.
- II. Double entry** – applicant can visit the Republic of Zambia up to two times during 90 days, calculated from the date of first entry into the country. The total number of days spent in the country should not exceed 90 days.
- III. Multiple entry** – applicant can visit the Republic of Zambia an unlimited number of times during 90 days, calculated from the date of first entry into the country. The total number of days spent in the country should not exceed 90 days.

#### c) Business visas

- I. Single entry** – applicant can stay in the Republic of Zambia for 30 days during a given calendar year from the date of entry into the country.
- II. Double entry** – applicant can visit the Republic of Zambia up to two times during 30 days, calculated from the date of first entry into the country. The total number of days spent in the country should not exceed 30 days.
- III. Multiple entry** – applicant can visit the Republic of Zambia an unlimited number of times during 30 days, calculated from the date of the first entry into the country. The total number of days spent in the country should not exceed 30 days.

#### d) Transit visas

Transit visas are issued to nationals who require visas to enter the Republic of Zambia and are transiting through using land transport and shall be valid for a maximum of seven days. The number of visits to the country during these seven days is unlimited.

#### e) Day tripper visas

A day tripper visa shall be issued at a port of entry to a tourist who visits the Republic of Zambia for less than 24 hours and exits through the same port, except those nationals who fall under a referred visa.

**Duration:** 3–5 working days

*You will receive feedback via e-mail.*

#### Costs

- I.** Day tripper – ZMK 200 (\$20)
- II.** Double – ZMK 800 (\$80)
- III.** Multiple – ZMK 800 (\$80)
- IV.** Single – ZMK 500 (\$50)
- V.** Transit – ZMK 500 (\$50)

**Document issued:** Visa

*NB: The applicant has to pay the prescribed fee within 30 days from the date of notification. Otherwise, the applicant will be required to lodge a new application.*

#### Immigration permits in the Republic of Zambia

##### Issuing authority:

**Department of Immigration**

#### f) Investor's permit

This is a permit that is issued to a foreign natural person who is a shareholder of a company registered in the Republic of Zambia. The applicant will be required to submit the following documents to the Department of Immigration.

##### Requirements

- I. Cover letter addressed to the Director General of Immigration;
- II. Duly completed and signed application for an investor's permit (Form 27);
- III. Certificate of incorporation;
- IV. Certificate of share capital (where required);
- V. Certificate of minimum capital;
- VI. Investment license from ZDA (not mandatory);
- VII. List of directors;
- VIII. Proof of personal investment (bank statement, money transfer, ZRA Form CE 20 and bill of lading from ZRA). If an investor is forming his or her own company, he or she should bring in at least \$250,000. If he or she is joining an existing company, it should be at least \$150,000;
- IX. Proof of ownership or lease agreement in the Republic of Zambia;
- X. Certified copy of valid passport (bio data and last endorsement stamp for the Republic of Zambia);
- XI. Two recent passport-sized photographs.

**Duration:** 5–10 working days

**Cost:** ZMK 4,000 (\$400)

**Document issued:** Investor permit

Please note:

- a) Documents that are in languages other than English need to be translated into English by the local embassy of the applicant's home country, public notary or any other legally recognized institution in the Republic of Zambia.
- b) Notice of approval of investor permit does not give the investor permission to commence operations if payment for the special pass does not occur within 30 days from the date of notification, the applicant will be required to apply afresh for the special pass.
- c) The applicant has to pay the prescribed fee within 30 days from the date of notification. Otherwise, the applicant will be required to lodge a new application.

#### g) Renewal and extension of investor's permit

An investor can renew or extend his or her investor's permit for another two years. The applicant will be required to submit the following documents to the Department of Immigration.

##### Requirements

- I. Duly completed and signed application Form 11;
- II. Cover letter to the Director General of Immigration;
- III. Original permit;
- IV. Inspection report by Immigration;
- V. VAT/ZRA receipts;
- VI. Audit report from a recognized firm registered with the Zambia Institute of Chartered Accountants (ZICA);
- VII. Lease agreement (where applicable);
- VIII. Current bank statement;
- IX. Certified copy of passport.

**Duration:** 5–10 working days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Investor permit

#### h) Variation of investor's permit

The variation of investor's permits means inclusion of another company, spouse, children, change of nature of business, change of nationality or name, or addition of new business name.

##### VARIATION OF INVESTOR PERMITS BY INCLUSION OF ANOTHER COMPANY

A holder of an investor permit can include another company. The applicant will be required to submit the following documents to the Department of Immigration.

##### Requirements

- I. Cover letter addressed to the Director General of Immigration;
- II. Duly completed and signed Form 9;
- III. Certificate of incorporation;
- IV. Certificate of share capital;
- V. Certificate of minimum capital;
- VI. Investment license from ZDA (not mandatory);
- VII. List of directors;
- VIII. Proof of personal investment (bank statement, money transfer, ZRA Form CE 20 and bill of lading from ZRA);
- IX. Proof of ownership or lease agreement in the Republic of Zambia;
- X. Certified copy of valid passport (bio data and last endorsement stamp for the Republic of Zambia);
- XI. Original permit.

**Duration:** 5–10 working days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Investor permit



### VARIATION BY CHANGE OF NATURE OF BUSINESS

A holder of an investor permit can vary the permit by including a change of nature of business. The applicant will be required to submit the following documents to the Department of Immigration.

#### Requirements

- I. Duly completed and signed application Form 9;
- II. Cover letter to the Director General;
- III. Original permit;
- IV. Certified copies of certificate of incorporation;
- V. Appropriate license;
- VI. List of directors;
- VII. List of share capital;
- VIII. Certificate of registration of business name (where applicable);
- IX. Investment license (if any);
- X. Proof of ownership of land or lease agreement (where applicable).

**Duration:** 5–10 working days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Investor permit

### VARIATION BY ADDITION OF CHILDREN AND SPOUSE

A holder of an investor permit can vary the permit by including children and spouse. The applicant will be required to submit the following documents to the Department of Immigration.

#### Requirements

- I. Duly completed and signed application Form 9;
- II. Cover letter to the Director General from the applicant;
- III. Original permit;
- IV. Certified copies of marriage or birth certificate/s (as appropriate);
- V. Certified copy of valid passport (bio data and last endorsement stamp for the Republic of Zambia);
- VI. Two recent passport-sized photographs.

**Duration:** 5–10 working days

**Cost:** ZMK 2,000 (\$200)

**Document issued:** Investor permit

### i) Residence permit

This permit confers a permanent residence to the holder and is issued to:

- I. Persons who have been ordinarily and lawfully residents in the Republic of Zambia;
- II. Holders of employment or investor's permits for at least 10 and three years respectively;
- III. Holders of spouse permits for at least five years; and
- IV. Retirees.

The applicant will be required to submit the following documents to the Department of Immigration.

Applicants aged between 7 and 15 years

The applicant will be required to submit the following documents to the Department of Immigration.

#### Requirements

- I. Duly completed and signed application form (Form 5) in duplicate;
- II. Cover letter to the Director General of Immigration;
- III. Certified photocopy of the applicant's valid passport;
- IV. Certified copy of the applicant's birth certificate;
- V. Certified copy of parents' status;
- VI. Original permit (where applicable);
- VII. Two recent passport-sized photographs;
- VIII. Adoption certificate (in case of adopted children);
- IX. Proof of enrolment at an educational institution (for students).

**Duration:** 5–10 working days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Residence permit

### APPLICANTS OLDER THAN 16 YEARS

The applicant will be required to submit the following documents to the Department of Immigration.

#### Requirements

- I. Duly completed and signed application form (Form 4) in duplicate;
- II. Cover letter to Director General of Immigration;
- III. Certified copy of alien registration card;
- IV. Certified copy of the applicant's birth certificate;
- V. Certified copy of marriage certificate;



- VI.** Two testimonials as to the character from persons of good standing who have known the applicant for more than three years;
- VII.** Certified photocopy of the applicant's valid passport;
- VIII.** Certified copy of host's status;
- IX.** Two recent passport-sized photographs;
- X.** Surrender of original permit (where applicable);
- XI.** Adoption certificate (in case of adopted children);
- XII.** Proof of enrolment at an educational institution (for students).

**Duration:** 5–10 days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Residence permit

#### HOLDERS OF INVESTOR'S PERMIT

The applicant will be required to submit the following documents to the Department of Immigration.

##### Requirements

- I.** Duly completed and signed application form (Form 4) in duplicate;
- II.** Cover letter to the Director General of Immigration;
- III.** Certified copy of alien registration card;
- IV.** Original permit;
- V.** VAT and ZRA receipts;
- VI.** Current bank statement;
- VII.** Audited financial report from Zambia Institute of Chartered Accountants (ZICA), a recognized firm;
- VIII.** Title of ownership of lease agreement (where applicable);
- IX.** Certified photocopies of current passport (bio data and last endorsement stamp for the Republic of Zambia);
- X.** Two recent passport-sized photographs;
- XI.** Inspection report by Immigration.

**Duration:** 5–10 working days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Residence permit

#### HOLDERS OF EMPLOYMENT PERMIT

The applicant will be required to submit the following documents to the Department of Immigration.

##### Requirements

- I.** Duly completed and signed application form (Form 4) in duplicate;
- II.** Cover letter to the Director General of Immigration;
- III.** Certified copy of alien registration card;
- IV.** Original permit;
- V.** Two reference letters;
- VI.** Certified photocopies of current passport;
- VII.** Two recent passport-sized photographs;
- VIII.** Contract of employment;
- IX.** Certified documentary proof of professional or other qualifications.

**Duration:** 5–10 working days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Residence permit

#### RETIREEES

The applicant will be required to submit the following documents to the Department of Immigration.

##### Requirements

- I.** Duly completed and signed application form (Form 4) in duplicate;
- II.** Cover letter to the Director General of Immigration;
- III.** Proof of funds (bank statement);
- IV.** Proof of permanent pension (irrevocable annuity) or retirement account;
- V.** Proof of ownership of land or lease agreement (where applicable);
- VI.** Certified photocopies of current passport;
- VII.** Two recent passport-sized photographs.

**Duration:** 5–10 working days

**Cost:** ZMK 5,000 (\$500)

**Document issued:** Residence permit

## j) **Employment permit**

This permit is issued to foreigners who enter the country to take up employment for a period exceeding six months and can be extended for a further maximum of 10 years from the date of its issue.

*Note: Applicants should remain outside the Republic of Zambia until the permit has been approved.*

### **Requirements**

- I. Cover letter from employer addressed to the Director General of Immigration;
- II. Duly completed and signed application for an employment permit (Form 23);
- III. Employment contract or letter of offer;
- IV. Police clearance from country of residence;
- V. Curriculum vitae;
- VI. Registration certificate from the relevant professional body in the Republic of Zambia (where required);
- VII. Certified copy of qualifications (academic and professional);
- VIII. Copy of marriage and birth certificates (where available);
- IX. Certified copy of valid passport particulars (bio data and last endorsement stamp for the Republic of Zambia);
- X. Certified certificate of share capital and list of directors;
- XI. Two recent passport-sized photographs.

**Duration:** 5–10 working days

**Cost:** ZMK 6,000 (\$600)

**Document issued:** Employment permit

### **Requirements for renewal or extension of employment permit**

This permit is issued to foreigners who enter the country to take up employment for a period exceeding six months and can be extended for a further maximum of 10 years from the date of its issue.

*Note: All applicants should remain outside the Republic of Zambia until the permit has been approved.*

### **Requirements**

- I. Application Form 11;
- II. Cover letter to the Director General from employer;
- III. Extended contract;
- IV. Original permit;
- V. Prescribed fee;
- VI. Certified copy of valid passport;
- VII. Requirements for variation by addition of children and spouse;
- VIII. Application Form 9;

- IX. Cover letter to the Director General from the applicant;
- X. Original permit;
- XI. Certified copies of marriage and birth certificate/s (as appropriate);
- XII. Certified copy of valid passport (bio data and last endorsement stamp for the Republic of Zambia);
- XIII. Two recent passport-sized photographs;
- XIV. Prescribed fee.

### **Requirements for variation by change of occupation**

- I. Application Form 9;
- II. Cover letter to the Director General from the employer or employer-to-be;
- III. Letter of appointment for new occupation;
- IV. Original permit;
- V. Certified copies of professional certificates;
- VI. Prescribed fee.

### **Requirements for variation by change of employer**

- I. Application Form 9;
- II. Cover letter to the Director General of Immigration from concerned employer-to-be;
- III. Letter of appointment or offer or contract;
- IV. Original permit;
- V. Letter of release from previous employer;
- VI. Prescribed fee.

### **Costs:**

- I. Issuance – ZMK 6,000 (\$600)
- II. Renewal – ZMK 7,000 (\$700)
- III. Duplicate – ZMK 6,000 (\$600)
- IV. Variation – ZMK 3,000 (\$300)

**Duration:** 5–10 working days

**Document issued:** Employment permit

## k) **Visitor's permit**

A visitor's permit is issued to private visitors who want to remain in the Republic of Zambia for more than 90 days.

### **Requirements**

- I. Complete application form (Form 18);
- II. Obtain two recent passport-sized photographs;
- III. Certified photocopies of passport;
- IV. Bank guarantee and return air ticket;
- V. Letter from the host.

**Duration:** 5–10 working days

**Cost:** ZMK 1,700 (\$170)

**Document issued:** Visitor's permit



#### l) Applying for an extension of visitor's permit

##### Requirements

- I. Cover letters from host;
- II. Original permit;
- III. Payment of prescribed fee;
- IV. Complete application form (Form 11).

**Duration:** 5–10 working days

##### Costs:

- I. Issuance – ZMK 1,700 (\$170)
- II. Renewal – ZMK 2,500 (\$250)
- III. Duplicate – ZMK 1,700 (\$170)

#### m) Study permit

Study permits are issued to non-Zambians who come to study in the Republic of Zambia. Applicants who are not resident in the country must submit their applications while outside the country.

##### Requirements

##### I. Application steps

1. Complete application form (Form 20);
2. Obtain two recent passport-sized photographs;
3. Police clearance from applicant's country of permanent residence. This applies to applicants who are applying from outside the Republic of Zambia and are 18 years and older.

##### II. Collect supporting documentation

1. Photocopies of current passport;
2. Letter of acceptance from the institution or school;
3. Status of the host, parent or guardian, if any;
4. Chest X-ray report;
5. A cover letter to the chief immigration officer.

**Duration:** 5–10 working days

**Cost:** ZMK 2,250 (\$225)

**Document issued:** Study permit

#### n) Requirements for extension of study permit

- I. Cover letter from the host or institution;
- II. Original permit;
- III. Latest results transcript or progress report;
- IV. Prescribed fee;
- V. Application Form 11.

**Duration:** 5–10 working days

**Document issued:** Study permit

#### o) Requirements for variation by change of school on a study permit

- I. Cover letter from the applicant addressed to the Director General of Immigration;
- II. Acceptance letter from new school;
- III. Duly completed Form 9;
- IV. Original permit;
- V. Latest results transcript or progress report from previous school;
- VI. Prescribed fee.

**Duration:** 5–10 working days

**Document issued:** Study permit

##### Costs:

- I. Issuance – ZMK 2,250 (\$225)
- II. Renewal – ZMK 3,000 (\$300)
- III. Duplicate – ZMK 2,250 (\$225)
- IV. Variation – ZMK 2,250 (\$225)

*NB: Section 65 of the ZDA Act No. 11 of 2006 states that you can employ up to five expatriates in a company. However, depending on the nature of the project, you can apply for more expatriate positions (engineering and technology are more likely to be favoured compared to other ordinary applications).*



## ANNEX XIV: INVESTING IN THE MULTI-FACILITY ECONOMIC ZONES

### Issuing authority:

#### Privatisation House

Nasser Road  
P.O. Box 30819  
Lusaka  
<http://www.zda.org.zm>

This annex discusses the multi-facility economic zones (MFEZs) in Zambia, and addresses the requirements for obtaining an MFEZ permit and license. (Please refer to Section 1.6.7.)

Multi-facility economic zones are a government initiative introduced to the Republic of Zambia in 2005 by the Japanese Government through Japan International Corporation Agency (JICA). The aim is to create a platform for the Republic of Zambia to achieve economic development by attracting significant domestic and foreign direct investment (FDI) through a strengthened policy and legislative environment.

The initiative emphasizes political will and integrity, private sector dynamism and integrity, and civil service efficiency and integrity as key forces that enable the economy to attain accelerated economic development. The implementation of MFEZs in the Republic of Zambia is designed to make the country competitive through increased activity in the trade and manufacturing sectors, which have numerous positive spill-over effects in other sectors such as utilities, transport, agriculture and services. The MFEZs are special industrial zones for both export-oriented and domestic-oriented industries. The zones have well-developed infrastructure in place in order to attract and facilitate establishment of world-class enterprises in the zones.

The MFEZs blend the best features of the free trade zones (FTZs), export processing zones (EPZs) and industrial parks and zones concept, and create the administrative infrastructure, rules and regulations etc. that benchmark among the best dynamic economies. The blending of physical infrastructure with an efficient and effective administrative infrastructure will create the ideal investment environment for attracting major world-class investors.

The legislation governing the MFEZs is mainstreamed in the Zambia Development Agency (ZDA) Act No. 11 of 2006 under Section 18. In addition, the regulations and guidelines governing the declaration and establishment of MFEZs were put in place through Statutory Instrument No. 65 of 2007. Section 5(p) of the ZDA Act No. 11 of 2006 mandates ZDA to administer, control and regulate MFEZs in the Republic of Zambia.

The MFEZ incentives are non-discriminatory and apply fairly to all eligible investors, be they from the Republic of Zambia or outside the country. The ministry has declared six areas as MFEZs or industrial parks: Chambishi, Lusaka East, Lusaka South, Lumwana and Ndola (Sub-Sahara Gemstone Exchange Industrial Park) and Roma Park.

LIST OF MFEZS IN THE REPUBLIC OF ZAMBIA

NAME OF MFEZ	LOCATION (DISTRICT)	CONTACT DETAILS
Lusaka East	Lusaka	Along Kenneth Kaunda International Airport +260969-588288 (LOCAL) E-mail is automated in the 'contact us' section Website: <a href="http://zccz.cnmccom.com.cn">http://zccz.cnmccom.com.cn</a>
Lusaka South	Lusaka	Plot F10723, Chifwema Road Off- Leopards Hill Road Tel: 0211847704 E-mail: <a href="mailto:info@lsmfez.co.zm">info@lsmfez.co.zm</a> <a href="mailto:lsmfez@lsmfez.co.zm">lsmfez@lsmfez.co.zm</a>
Ndola	Ndola	Zambia Development Agency Privatisation House Nasser Road E-mail is automated in the 'contact us' section Website: <a href="http://www.zda.org.zm/?q=content/contact-form">http://www.zda.org.zm/?q=content/contact-form</a>
Chambishi	Kalulushi	Chambishi Town Tel: +260965-067780 E-mail: <a href="mailto:service@zccz.cnmccom.com.cn">service@zccz.cnmccom.com.cn</a> Website: <a href="http://zccz.cnmccom.com.cn/">http://zccz.cnmccom.com.cn/</a>
Lumwana	Lumwana	Lumwana Mine, T5 Area Solwezi Tel: 096 1510391 E-mail is automated in the 'contact us' section Website: <a href="http://www.barric.com/operations/lumwana">http://www.barric.com/operations/lumwana</a>
Roma Park	Lusaka	609 Zambezi Road Tel: 096 9291791 E-mail is automated in the 'contact us' section Website: <a href="http://romapark.co.zm">http://romapark.co.zm</a>

**Issuing authority:**

**Zambia Development Agency**

Privatisation House  
Nasser Road  
Lusaka  
<http://www.zda.org.zm/>

Investor makes enquiry on area(s) of interest at the ZDA office.

**Requirements**

- I. Application Form LS-MFEZ 1;
- II. Certified copy of company registration or incorporation;
- III. Certified copy of certificate of share capital;
- IV. Certified copy of list of shareholders and directors;
- V. Business plan and feasibility study;
- VI. Verifiable evidence of project finance;
- VII. Brief resumes for shareholders and directors;
- VIII. Clear statement of how the project will fit into the overall LS-MFEZ master plan.

**Duration:** 10 working days

**Cost:** ZMK 100 (\$10)

**Document issued:** MFEZ permit and license



## ANNEX XV: LICENSE TO MANUFACTURE EXCISABLE GOODS

### Issuing authority:

#### Zambia Association of Manufacturers

Stand No. 2374  
Mopani Parade  
Showgrounds  
Lusaka, Zambia  
<http://www.zam.co.zm>

#### a) What is excise duty?

Excise duty is tax on particular goods or products whether imported or produced domestically, imposed at any stage of production or distribution, by reference to weight, strength or quantity of the goods or products, or by reference to their value.

#### b) On what goods is excise duty levied?

- I. Tobacco and manufactured tobacco substitutes such as cigarettes;
- II. Clear beer;
- III. Opaque beer;
- IV. Hydrocarbon oils such as petrol, diesel, fuel oils and liquefied petroleum oils (LPG);
- V. Spirits and wines;
- VI. Electrical energy;
- VII. Airtime;
- VIII. Cosmetics, beauty and skin care products;
- IX. Plastic bags.

#### c) Licensing

In order for any person to manufacture any of the goods set out in the excise tariff in quantities of more than the minimum quantities specified in the Customs and Excise Act, he or she must apply to the Commissioner General for a license, with the exception of mobile phone service providers and oil marketing companies. However, any person may produce, without a license and without payment of duty for domestic use, but not sell or dispose for profit to any other person, the following goods:

- I. Fermented liquor, other than opaque beer, containing not more than 2% of alcohol by volume;
- II. Tobacco in the form of cigars, cigarettes, pipe tobacco or snuff when made from manufactured tobacco on which duty has been paid or from raw tobacco;
- III. Opaque beer being not more than 23 dekalitres in volume in any period of four consecutive days.

#### d) Who applies for a license?

Any person manufacturing, distilling, mixing, brewing or packaging the following:

- I. Any portable liquid containing more than 2% of alcohol by volume;
- II. All types of spirits and wines;
- III. Opaque beer in containers exceeding 23 dekalitres;
- IV. Cigarettes, cigarette tobacco, pipe tobacco, cigar and snuff;
- V. Hydrocarbon oils and their by-products;
- VI. Electrical energy;
- VII. Cosmetics;
- VIII. Plastic carrier bags.

#### e) How to apply for a license

Application forms for a license to manufacture goods subject to excise duty or surtax can be obtained from the Zambia Revenue Authority (ZRA) website ([www.zra.org.zm](http://www.zra.org.zm)) or visit Indirect Taxes – Tax Payer Services on the 1<sup>st</sup> floor of Revenue House or any other ZRA office near you.

An applicant for a license should state and provide the following.

#### Requirements

- I. The nature of goods to be manufactured;
- II. The process of manufacture;
- III. The cost structure and selling price of the goods;
- IV. The premises and equipment to be used in manufacturing of excisable goods;
- V. The business, its shareholding, assets, related businesses and accounting practices; and
- VI. Such other matters as the Commissioner General may require.

Approval of application for a license is at the discretion of the Commissioner General.



**f) Right to appeal**

Any person whose application has been rejected or whose license has been revoked has the right to appeal to the Tax Appeals Tribunal.

**g) Obligations of licensee**

- I.** Submit returns on or before the 15<sup>th</sup> day of the month following the month to which the return relates, and payment made within five days; i.e. by the 20<sup>th</sup> day;
- II.** Keep books of accounts recorded in English for inventory, production and sales;
- III.** Display the license at the manufacturing premises;
- IV.** Application for excise license renewal should submitted to Zambia Revenue Authority before or on 30 September each year.

*NB: (a) If a licensee fails to comply with the requirements of the law, the license may be suspended or cancelled. (b) Late payment of tax and late submission of returns will attract interest at the prevailing Bank of Zambia rate plus 2% per annum and penalties of 1,000 penalty units, with an additional 1,000 penalty units for each day the return is late.*



## ANNEX XVI: LIGHT MANUFACTURING AND AGROPROCESSING SECTORS

### Issuing authorities:

#### Zambia Revenue Authority

New Revenue House  
P.O. Box 35710  
Lusaka, Zambia  
<https://www.zra.org.zm>

#### Zambia Association of Manufacturers

Stand 2374  
Mopani Parade  
Showgrounds  
Lusaka, Zambia  
<http://www.zam.co.zm>

#### a) Manufacturing sector

For an overview of the manufacturing sector, please see Section 1.6.

#### INCENTIVES

- I.** Refund of Zambian VAT on export of Zambian products by non-resident businesses under the Commercial Exporters Scheme;
- II.** Guaranteed input tax claim for two years prior to commencement of production;
- III.** Income from chemical manufacturing of fertilizers is taxed at a reduced rate of 15%;
- IV.** Capital allowances on industrial buildings used for the purposes of manufacturing shall be entitled to a deduction of 10% in case of low-cost housing and 5% for other industrial buildings;
- V.** Persons who incur capital expenditure on an industrial building are entitled to claim a deduction called initial allowance of 10% of the cost incurred in the charge year in which the industrial building is first brought into use;
- VI.** Any person who incurs capital expenditure on an industrial building is entitled to an investment allowance of 10% of such expenditure in the first year that the building is used for manufacturing purposes;
- VII.** Import duty on PVC lining and eyelets used in the manufacture of shoes has been reduced to 5%;
- VIII.** Import duty on semi-refined wax and cereals used in the manufacture of paint, and on tapioca starch with dextrose powder, which is used in the manufacturing of biscuits, has been reduced to 15%.
- IX.** Import duty on various textile machinery has been reduced to 0% and all woven fabrics of polyester imported for further processing, and all imported sewing threads and grey fabrics has duty reduced to 0%;
- X.** Reduced import duty on the following inputs used in manufacturing:
  - a) Crude coconut (copra) oil of subheading 15131100 to 5%;
  - b) Plate sheets, film, foil and strips of unsaturated polyesters of heading 3920.63.10 to 5%.
- XI.** Suspension of import duty on machinery, equipment and capital goods for assembling of motor vehicles, trailers, motorcycles and bicycles.

#### b) Agroprocessing sector

Agriculture remains a major contributor to the Republic of Zambia's economy, contributing approximately 13% to the country's gross domestic product (GDP). Agriculture is also a major employer in the country and employs approximately half the total workforce. However, agriculture alone is not enough to bring about meaningful development to the Zambian people; there is need for the Republic of Zambia to diversify from primary agriculture into agroprocessing.

Alternative or additional income-generating opportunities are needed to support the millions of poor families who can no longer support their livelihoods from the land alone. Agroprocessing – turning primary agricultural products into other commodities for market – has the potential to provide those opportunities. The agroprocessing and manufacturing industries contribute approximately 11% to the Republic of Zambia's GDP. With increased investment, it is hoped that the sectors can contribute more to the country's economic well-being and bring about tangible benefits to the Zambian people, such as employment creation and poverty alleviation.

Agroprocessing aims to increase income and access to food for the poor by establishing small-scale, appropriate and sustainable processing businesses that are flexible require little capital investment and can be carried out without the need for sophisticated or expensive equipment.

Agroprocessing opportunities in the Republic of Zambia include:

- I.** Peanut butter production;
- II.** Cashew nut processing;
- III.** Animal or stock feed production;
- IV.** Cassava processing (food and other industrial products);
- V.** Cashew nut processing;
- VI.** Grain milling (rice, maize and wheat, etc.);
- VII.** Edible oil production;
- VIII.** Fruit canning and juice extraction;
- IX.** Meat, dairy, leather and leather products;
- X.** Fish canning and fish meal production;
- XI.** Cotton spinning and textiles;
- XII.** Bio-diesel production and ethanol production;
- XIII.** Honey processing.

The agroprocessing sector provides an opportunity for small-scale producers to engage in small-scale enterprises. However, there are major constraints to the development and growth of agribusiness enterprises, largely due to inadequate raw material supplies, limited access to appropriate technology, limited capacity to maintain existing technologies, failure by locally processed products to compete against imports, low viability of existing agroprocessing enterprises and limited access to credit.

A large part of agricultural production undergoes some degree of transformation between harvesting and final use. The industries that use agricultural, fishery and forest products as raw materials comprise a very varied group. They range from simple preservation (such as sun drying) and operations closely related to harvesting to the production, by modern, capital-intensive methods, of such articles as textiles, pulp and paper.

The Zambian agroprocessing sector is one of the most important sectors that has experienced precedent growth in terms of production and export performance in recent years. This has been closely attributed to huge investment inflows in the various value chains and an enabling business environment, coupled with stable performance of the local and global economy.

## INCENTIVES

- I.** Guaranteed input tax claim for four years prior to commencement of production for vegetable agricultural businesses;
- II.** Zero rating agricultural products and supplies when exported;
- III.** VAT deferment on importation of some agricultural equipment and machinery;
- IV.** Income tax at a reduced rate of 10%;
- V.** Farm improvement allowance of 100% on fencing, brick or stone walls and an allowance of 10 million for farms occupied by farm workers;
- VI.** Farm works allowance of 100% for the full cost of stumping and clearing, works for prevention of soil erosion, boreholes, wells, aerial and geophysical surveys and water conservation;
- VII.** Dividends paid out of farming profit are exempt from tax for the first five years the distributing company commences farming;
- VIII.** A development allowance is given to any person who incurs expenditure in the growing of tea, coffee or banana plants or citrus trees or similar plants or trees. An allowance of 10% of such expenditure shall be deducted in ascertaining the gains and profits of that business;
- IX.** No import duty on irrigation equipment and reduced duty rates on imports of other farming equipment;
- X.** Reduced Customs duty at 5% on pre-mixes, being vitamin additives for animal feed.

*NB: Zero-rate Hammer Mills of HS code 8436 1000.*

## GENERAL INCENTIVES

- I.** Import VAT relief for VAT-registered businesses on imports of eligible capital goods (VAT deferment);
- II.** Zero rate of VAT on export of taxable products;
- III.** Guarantee of VAT refund within 30 days of lodgement of adequately supported claims within 30 days of submission of the claim;
- IV.** Relief of VAT on transfer of business as a going concern;
- V.** Equal treatment of services for VAT irrespective of supplier's domicile (reverse VAT);
- VI.** Cash accounting for VAT members of the Association of Building and Civil Engineering Contractors, and mining companies;
- VII.** Guaranteed VAT input tax claim for three months prior to VAT registration for businesses that have already commenced trading;
- VIII.** Reintroduction of voluntary registration for compliant businesses whose turnover is less than 200 million per annum subject to conditions stated above;
- IX.** Registered businesses allowed to reclaim 20% of input VAT paid on petrol;
- X.** Exemption of interest component of finance leases;
- XI.** Zero rating of VAT on goods and services supplied or imported by developers of MFEZ and industrial parks and to business enterprises in such zones;
- XII.** VAT relief on input tax paid for purchases made by registered suppliers;
- XIII.** Income from non-traditional exports is taxed at a reduced rate of 15%;
- XIV.** Duty on computer parts and components removed. Computer components on which duty was abolished is confined to the following:
  - a) Motherboard without CPU and RAM
  - b) Case with or without power codes
  - c) CPU heatsink
  - d) 32 bits CPU made of two or more ICS. This may include Pentium 3, Pentium 4 or Celeron processors;
- XV.** Increase the threshold for travellers' personal effects that are eligible for duty free from \$500 to \$1,000.

## IMPORT AND EXPORT CONSIDERATIONS IN THE REPUBLIC OF ZAMBIA

Business enterprises have to be aware of the import and export procedures and other international trade considerations in the country.

### ■ Customs clearance and valuation

In order to clear goods through Customs, an importer must present the following documents to the authorities: bill of lading, airway bill and commercial invoice. The import declaration form is used for statistical purposes, and no fee is required. For goods to be cleared at the

border, the importer completes the Zambia Revenue Authority (ZRA) Form CE 20, the standard form for entry and exit. In Zambia, the Automated System for Customs Data (ASYCUDA) is used. This process can be accomplished within hours.

#### ■ Tariff structure

The Republic of Zambia applies tariffs on the CIF (cost, insurance and freight) basis. Customs tariffs are calculated on the basis of the dutiable value, based on the WTO agreement on customs valuation. Most tariffs are ad valorem, but a few specific tariffs remain. The country uses the international harmonized system and its tariff schedule is structured around four tiers: 0%, 5%, 15% and 25% rates of duty. Virtually all raw materials and most industrial or productive machinery fall within the 0% and 5% tariff categories, while most imported intermediate goods are subject to 15% and imported final products are rated at 25%. The country's simple average import tariff is approximately 14%.

#### ■ Import restrictions

Import prohibitions are maintained for environmental, health and security reasons. Import licensing is required for most agricultural products and the Republic of Zambia does not apply trade sanctions.

#### ■ Sanitary and phytosanitary regulations

Sanitary and phytosanitary regulations are applied to imports of live animals, plants and seeds. A sanitary certificate from the exporting country is required as a prerequisite to the issuance of the veterinary permit. Food imports must satisfy the provisions of the Food and Drugs Act of September 1978 that requires packaging and labelling requirements for food, and standards for maize sump, rice and bread.

#### ■ Export procedures

Exporters must complete an export declaration form (standard Customs Form ZRA CE 20), mainly for statistical purposes. An original commercial invoice and a packing list for shipment should accompany the form CE 20. An airway bill or bill of lading for transportation of exports should be obtained from the freight forwarder or the transporter being used. The Republic of Zambia has no export taxes, charges and levies. If there are preferences that are being claimed in the exporting market (e.g. reduced tariffs), then an appropriate stamped certificate of origin is required from the ZRA. COMESA, SADC, European Union and African Growth and Opportunity Act (AGOA) textiles have different certificates of origin. If the good is a commodity covered by the Veterinary Department, a sanitary or phytosanitary certificate is needed.

A phytosanitary certificate is obtained from the Mount Makulu Research Station for seeds, stems and fruits. A very limited number of goods require a special export permit. Gemstone exports require a permit from the Ministry of Mines, Energy and Water Development and timber requires a timber verification certificate from the Forestry Department.



#### ■ Regional agreements

**I. The Common Market for Eastern and Southern Africa (COMESA) has been operating, in one form or another, since 1981. Economic integration is envisaged to progress from the free trade area (FTA) to an economic monetary union. The FTA became operational on 1 November 2000 with nine participating countries. The COMESA FTA is an agreement among members not to apply Customs duties or charges on goods traded amongst them. Goods eligible for duty-free treatment must meet the agreed-upon Rules of Origin. Members also agree to eliminate all non-tariff barriers to trade between them. The nine member countries that are implementing zero tariffs are the Arab Republic of Egypt, the Republic of the Sudan, the Republic of Kenya, the Republic of Djibouti, the Republic of Malawi, the Republic of Madagascar, the Republic of Mauritius, the Republic of Zambia and the Republic of Zimbabwe. A COMESA certificate of origin is required for each consignment of goods and is obtained from the revenue authority in respective member countries.**

**II. Members of the Southern African Development Community (SADC), comprising 14 countries, signed a trade protocol that calls for the implementation of a free trade area. Each country has negotiated two reduced tariff schedules. One schedule is applicable only for the Republic of South Africa and another schedule for all other SADC members. The Republic of Zambia's implementation of the offer, which came into effect on 30 April 2001, is provided to those countries that provide the Republic of Zambia with the SADC reduced tariff schedule.**

**III. The tariff schedule applicable to SADC members, with the exception of the Republic of South Africa, has three categories. Category A are those products that go to zero-duty immediately upon implementation. The tariff for Category B products gradually goes down to zero-duty over a period of eight years, and the tariff of Category C products reaches zero-duty 12 years after implementation. Category C products are known as sensitive products, and include (for the Republic of Zambia) meat and dairy products, tea, some flours, raw sugar, cement, textiles and clothing, and motor vehicles. A SADC certificate of origin is required for each consignment of goods and is obtained from the Zambia Revenue Authority.**



## ANNEX XVII: LIVING IN THE REPUBLIC OF ZAMBIA

### FIRST VISIT CONSIDERATIONS

The following considerations should be taken into account.

#### a) Visa applications

In the Republic of Zambia, obtaining a visa is generally straightforward, provided that all the required documentation is available. Nationals of Common Market for Eastern and Southern Africa (COMESA) and Commonwealth member countries generally do not require a visa to visit the Republic of Zambia. However, nationals of the following Commonwealth countries do require visas: The Islamic Republic of the Gambia, the Republic of Ghana, the Republic of India, the Islamic Republic of Pakistan, Independent State of Papua New Guinea, the Democratic Socialist Republic of Sri Lanka and the United Kingdom of Great Britain and Northern Ireland.

The visas may be obtained from any Zambian High Commission and Embassy abroad. It is also possible to obtain a visa at Zambian entry points for some specified foreign country nationals (e.g. the United Kingdom of Great Britain and Northern Ireland, and the United States of America). Furthermore, potential investors can obtain a visa at the point of entry by requesting ZDA to apply on their behalf (must send a scanned copy of their passport showing picture and details of passport holder). It should be noted that a work permit is required before any foreign national can take up employment in the Republic of Zambia.

All resident expatriates must obtain a re-entry permit prior to leaving the country. The permit can be obtained from the immigration office and will be valid for 90 days.

#### b) Vaccinations

- I. Cholera:** required if passengers are coming from an infected zone;
- II. Yellow fever:** required only if passengers have been in an infected zone a week prior to their arrival in the Republic of Zambia;
- III. Anti-malarial precaution:** highly recommended that visitors take anti-malarial medication before coming to the Republic of Zambia. Please contact a competent medical authority in your country for appropriate advice.

### HOUSING

The Republic of Zambia is a safe and friendly nation where foreigners can feel at home and go about their lives in comfort and security. Suitable expatriate accommodation is available in most urban areas. High-quality accommodation includes a three-bedroomed, mostly unfurnished detached house standing on its own plot, often with a swimming pool and full security provisions. A full range of furniture is available from local suppliers and it is also possible to have it made on order from quality Zambian wood at a reasonable cost. Furnished properties can be found, including flats to rent. New arrivals are advised to contact reputable real estate agents or realtors, who are listed in the Yellow Pages, as well as in a monthly publication called the Lowdown or in the daily newspapers. Typical rentals are:

- I. One-bedroom house or apartment – ZMK 5,000 (\$500) and more**
- II. Two-bedroom house or apartment – ZMK 15,000 (\$1,500) and more**
- III. Three-bedroom house or apartment – ZMK 20,000 (\$2,000) and more**
- IV. One house within a housing complex with security – ZMK 30,000 (\$3,000) and more.**

### BANKING

The Republic of Zambia is served by a number of domestic and international banks that play a very positive role in economic development. A list of these banks is provided in Annex 2. The commercial banks operating in the country have a well-distributed branch network and automated teller machines (ATMs) across the country. All major credit cards are accepted in urban areas.

ATM facilities are provided by commercial banks. Visitors with VISA and VISA Electron cards can draw cash from VISA ATMs in the Republic of Zambia. Traveller's cheques and hard currency banknotes can be cashed at banks, large hotels or bureau de change. (Note: Proof of purchase of traveller's cheques is prerequisite to cashing at these outlets.)

## MONETARY SYSTEM

**Currency:** Zambian Kwacha (ZMK)

100 Ngwee = ZMK 1

**Denominations:** Notes: 2, 5, 10, 20, 50 and 100;

**Coins:** 5n, 10n, 20n, 50n and 1

There are no restrictions on importation of foreign currency into the Republic of Zambia, but all cash and traveller's cheques should be declared on Customs Form T2, available from Customs officers at the port of entry. The Zambian Kwacha floats freely against the major world currencies, including the US dollar, British pound, euro and South African rand.

There are no restrictions on foreign currency dealings (proof of traveller's cheque purchase is needed) and cash can be changed over the counter in any bank and at the numerous bureau de change. ATM machines are located outside the banks and at shopping malls.

## HEALTH

The Republic of Zambia is on a high plateau (1,280 metres above sea level) and is a fairly healthy place to live. Tap water in homes and hotels is treated, but as precautionary measure should be boiled or chlorinated before drinking. There are many good privately run clinics and hospitals in most towns, including good dental clinics for normal health problems. Super-specialist medical centres are being developed and encouraged.

## EDUCATION

The Zambian education system is comprised of primary and secondary schools, and university education. The language of instruction is English.

### PRIMARY AND SECONDARY SCHOOL

The state educational system is Zambian oriented and, therefore, expatriate parents must look for private schooling for their children. There is satisfactory private infant, primary and secondary schooling available in Lusaka and other parts of the country. The schools commonly used by the international community are:

- I. International School of Lusaka (ISL)
- II. Baobab College
- III. American International School
- IV. The Lusaka International Community School (LICS)
- V. French School of Lusaka
- VI. British International School
- VII. Italian International School of Lusaka
- VIII. Chinese International School of Lusaka.

Other schools include Chengelo Secondary School in Mkushi, Simba International School in Ndola, and Musikili Primary School in Mazabuka, which all have provisions for day scholars and boarders. There are also many nursery schools for children between six months and six years of age, which are mostly privately run and have a good reputation.

## UNIVERSITIES

There are three state-run universities in the Republic of Zambia, one in Lusaka, one in Kabwe (Central Province) and another in Kitwe (Copperbelt Province). In addition, there are various other tertiary level institutions, including the Zambia Institute of Chartered Accountancy Studies (ZCAS) in Lusaka as well as a number of private universities.

## CLOTHING

Ties and jackets or suits are the norm for business and office formal attire. For the rest, European summer clothing is ideal. It can get very cold in the evenings around June and July, so bring warm clothing. Tracksuits are very useful when temperatures fall in the evening, with shorts and t-shirts worn during the day.

Temperatures can vary considerably during the rainy season. At formal functions, dress tends to be casual, although evening dress and suits are often the norm. Women should be cautioned against wearing very short shorts. There are good tailors available who can make clothes for ladies at very reasonable cost.

Lusaka and the main urban centres offer many shops selling clothing and shoes of all standards and quality, though it might be advisable to bring plenty of everything, especially baby clothing and sports clothes, and good walking shoes for trips in the bush.

*NB: During the rainy season, raincoats and umbrellas are quite useful.*

## LEISURE ACTIVITIES

Activities such as keep-fit, aerobic, weight training, golf, tennis, swimming, bowls, squash, rugby, horse riding and polo are available in the Republic of Zambia. It might be necessary to bring your gear. There is an ornithological society (bring your own binoculars), a wildlife society and a music society (need to bring your own instrument). Social life tends to revolve around the various clubs and private entertaining.

Lusaka has a very good selection of restaurants. The Republic of Zambia has ample opportunity for camping and the scenery is beautiful. There are also great opportunities for fishing. Weekend breaks are possible at safari lodges outside Lusaka, Kafue National Park or Lake Kariba. The world-famous Victoria Falls and the connecting gorges provide the best white-water rafting in the world as well as access to the highest commercial bungee jump in the world, and also has a unique ability to provide whaling safaris.

## BUSINESS HOURS

Zambians use the 24-hour clock in conversation as well as in writing (instead of the 'am' or 'pm'). Normal working hours in government and private sector offices are from 8:00–13:00 and 14:00–17:00 between Monday and Friday. Banks operate from 8:15–14:30 between Monday and Friday.



Most banks are closed for business on weekends, except the first and last Saturdays of each month when they open from 8:15–11:00. Supermarkets are open every day until 21:00 except until noon on Sunday. Following is a list of public holidays in the Republic of Zambia.

### PUBLIC HOLIDAYS

1 January	<i>New Year's Day</i>
8 March	<i>International Women's Day</i>
12 March	<i>Youth Day</i>
End of March	<i>Good Friday</i>
First Monday after Good Friday	<i>Easter Monday</i>
1 May	<i>Labour Day</i>
25 May	<i>Africa Freedom Day</i>
First Monday in July	<i>Heroes Day</i>
<i>First Tuesday in July</i>	<i>Unity Day</i>
<i>First Monday in August</i>	<i>Farmers Day</i>
18 October	<i>National Prayer Day</i>
24 October	<i>Independence Day</i>
25 December	<i>Christmas</i>

*Many organizations close shortly before Christmas for 'industrial break' and reopen after the first week in January.*



### GENERAL

- I.** The main electricity supply in the Republic of Zambia is 220 to 240 volts AC 50 cycles. There are voltage fluctuations and occasional power cuts. Power surge or spike protectors are recommended to prevent damage. Most properties are fitted with square pin 13 amp sockets;
- II.** The country uses the metric system for weights and measures. Zambian TV runs on PAL B/G on channels 10 and 20 VHF; there are four channels. However, multi-channel satellite TV is available on a monthly subscription basis. There are video rental outlets and the British Council provides a video film rental service;
- III.** It is worthwhile to bring a good short-wave radio;
- IV.** The country is two hours ahead of GMT;
- V.** International telephone calls to and from the Republic of Zambia are reliable, with direct dialling (on request with special deposit) available. The international code for the Republic of Zambia is +260 and the major city codes include: Lusaka +211, Ndola and Kitwe +212, and Livingstone +213.



## ANNEX XVIII: KEY GOVERNMENT INSTITUTIONS FACILITATING INVESTMENTS IN THE AGROPROCESSING AND LIGHT MANUFACTURING SECTORS

The key government institutions in the Republic of Zambia's manufacturing industry include:

### a) Ministry of Commerce, Trade and Industry

The Ministry of Commerce, Trade and Industry (MCTI) is the Republic of Zambia's principal government body responsible for administering national policy for private sector development. It coordinates industrial, commercial and trade matters and liaises with various public and private sector organizations to facilitate the implementation of government sector policies related to trade and industry. This is in line with the ministry's mission statement: to facilitate and promote the growth, development and competitiveness of commercial, trade and industrial sectors in order to enhance socioeconomic development. In support of this mission statement, and to give MCTI a specific focus and direction, the ministry's goal is to develop a sustainable and globally competitive commercial, trade and industrial base in order to contribute to socioeconomic development.

Through this goal, the MCTI will articulate policies, develop legislation and create an environment that will focus on making the Zambian commercial, trade and industrial base sustainable and globally competitive. The ministry is responsible for the following portfolio functions as contained in Government Gazette Note Number 547 of 2004:

- I. Investment promotion policy
- II. Trade licensing policy
- III. Privatization policy
- IV. Commercial, industrial and trade policy
- V. Company and business names
- VI. Foreign trade policy and agreement
- VII. Industrial research
- VIII. Patents, trademarks and designs
- IX. Weights and measures
- X. Competition and fair trade
- XI. Medium and small-scale enterprises (SMEs) development
- XII. Standardization, standards and quality assurance.

### b) National Institute for Scientific and Industrial Research

The National Institute for Scientific and Industrial Research (NISIR) is a government institution set up by the Science and Technology Act No. 26 of 1997 through Statutory Instrument No. 73 of 1998 after the repeal of the National Council for Scientific Research Act Cap. 236 of the Laws of Zambia. NISIR is a government-funded institution. However, multilateral and bilateral cooperating partners fund specific projects of mutual interest. The functions of the National Institute for Scientific and Industrial Research as stipulated in the Science and Technology Act of 1997 Section 4 and Statutory Instrument No. 73 are:

- I. To conduct and promote scientific, technological and industrial research in the Republic of Zambia;
- II. To carry out research in civil, mechanic, chemical, electronic and electrical engineering, nuclear science, textile technology, biotechnology, energy resources, industrial chemistry, food science, material science and natural products, information science, cartographic and location analysis;
- III. To liaise with other research bodies within and outside the country conducting similar research activities;
- IV. To cooperate and liaise with industries;
- V. To develop and maintain a vibrant relation with the business sector.

### c) Zambia Development Agency

The Zambia Development Agency (ZDA) was established in 2006 by an Act of Parliament and became operational in January 2007 after the amalgamation of five statutory bodies that hitherto operated independently to foster economic growth and development by promoting trade and investment through an efficient, effective and coordinated private sector-led economic development strategy. These institutions were the Zambia Investment Centre (ZIC), Zambia Privatisation Agency (ZPA), Export Board of Zambia (EBZ), Small Enterprise Development Board (SEDB) and Zambia Export Processing Zones Authority (ZEPZA).

The Act gives powers to the ZDA in key areas of trade development, investment promotion, enterprise restructuring, development of greenfield projects, small enterprise development, trade and industry fund management, and contributing to skills training development. The amalgamated agency is a semi-autonomous institution with its Board of Directors appointed by the Minister of Commerce, Trade and Industry. The board comprises members of the public and private sector, as well as civil society organizations, and both the chairperson and vice chairperson are appointed from the private sector. The organization has its head office in Lusaka and regional offices in Chipata, Kitwe, Kasama, Livingstone, Mansa, Solwezi and Mongu.

ZDA's specific functions are provided in the ZDA Act as follows:

- I.** Give advice to the minister on matters relating to industry, industry development and productivity, investments, exports of goods and services, operations of multi-facility economic zones and matters relating to micro and small-scale business enterprises;
- II.** On the request of government, study market access offers received from trading partners under COMESA, WTO or SADC and advise the government on opportunities and challenges generated;
- III.** Make a detailed impact analysis on select sectors of the economy such as textiles, agriculture, mining, tourism, education, skills training, communication, transport, infrastructure development, automobiles, information technology, chemicals and steel engineering goods, through a multi-disciplinary team;
- IV.** Establish a database of facilities, human resources and their skills, sources of finance, technology, raw materials, machinery, equipment and supplies with the view to promoting accessibility of these industries;
- V.** Develop Zambian entrepreneurship skills and business culture;
- VI.** Promote and facilitate the development of micro and small business enterprises;
- VII.** Formulate investment promotion strategies;
- VIII.** Promote and coordinate government policies on, and facilitate, investment in the Republic of Zambia;
- IX.** Assist in security from any state institution any permission, exemption, authorization, license, bonded status, land and any other thing required for the purposes of establishment of an operating business enterprise;
- X.** Undertake economic and sector studies and market surveys so as to identify investment opportunities;
- XI.** Plan, manage, implement and control the privatization of state-owned enterprises;
- XII.** Oversee all aspects of the implementation of the privatization programme;

- XIII.** Monitor progress of the privatization programme;
- XIV.** Monitor post-privatization activities to ensure compliance with any agreement entered into for the privatization of any state-owned enterprises;
- XV.** Develop multi-facility economic zones or facilitate the development of multi-facility economic zones by any investors;
- XVI.** Administer control and regulate multi-facility economic zones and ensure compliance with this Act and any other laws relevant to the activities of multi-facility economic zones;
- XVII.** Monitor and evaluate the activities, performance and development of enterprises operating in multi-facility economic zones, and prescribe and enforce measures for the business or activity carried out within a multi-facility economic zone so as to promote the safety and efficiency of its operations;
- XVIII.** Promote and market multi-facility economic zones among investors;
- XIX.** Facilitate adjustment to structural changes in the economic hardships arising from those changes;
- XX.** Protect the interests of industries, employees, consumers and the community that are likely to be affected by the measures proposed by the agency;
- XXI.** Increase employment in the Republic of Zambia;
- XXII.** Promote regional development, cooperation and integrity;
- XXIII.** Monitor the progress made by the Republic of Zambia's trading partners in reducing both tariff and non-tariff barriers;
- XXIV.** Ensure that industry develops in a way that is ecologically sustainable;
- XXV.** Ensure that the Republic of Zambia meets its international obligations and commitments, including those under the WTO, COMESA and SADC; and
- XXVI.** Maintain regular, productive and effective dialogue and cooperation with the public and private sectors and encourage public-public dialogue, private-private and private-public dialogue.

#### d) **One-stop shop**

The Ministry of Commerce, Trade and Industry (MCTI) launched the One Stop Shop for Business Registration (OSSBR) in June 2010 in line with business reforms being undertaken by the government under the Private Sector Development Reform Programme (PSDRP).

The one-stop shop (OSS) was established under the Zambia Development Agency (ZDA) in accordance with the Zambia Development Agency Act No. 11 of 2006, which prescribes ZDA's business service facilitation functions and core activities. The One Stop Shop for Business Registration is a strategy aimed at providing both local and

foreign investors with fast, efficient and business-friendly registration services and, thus, reducing the cost of doing business.

The one-stop shop also aims to make business registration services more easily accessible through establishment of one-stop shop facilities in all the Republic of Zambia's provinces.

- I. Roll-out programme
- II. Our services
- III. Targets
- IV. Procedure for registering a business
- V. Stakeholder agencies
- VI. Future goals
- VII. Contact OSS.

#### e) **Zambia Bureau of Standards**

Zambia Bureau of Standards (ZABS) provides efficient and effective standardization, quality assurance and metrology services to industry, consumers and regulators in order to contribute to the improvement of the quality, competitiveness and safety of products and services and promote value addition and sustainable socioeconomic development in the Republic of Zambia.

#### f) **Multi-facility economic zones**

The implementation of MFEZs in the Republic of Zambia is designed to make the country competitive through increased activity in the trade and manufacturing sectors. (Please see Section 1.6.7 of this profile for information on multi-facility economic zones.

#### g) **Zambia Revenue Authority**

The authority is responsible for collection of revenue for the government.

#### h) **Zambia National Farmers' Union**

Zambia National Farmers' Union (ZNFU) is a national membership-based organization with countrywide coverage, representing the agriculture industry. Specifically, ZNFU represents small and large-scale farmers and agribusinesses. The members are categorized as follows:

- I. District farmers' associations
- II. Commodity specialized associations
- III. Corporate farming businesses
- IV. The Agricultural Business Chamber
- V. Association members.

The ZNFU is a founding member of the Southern Africa Confederation of Agricultural Unions (SACAU) and a member of the World Farmers' Organisation (WFO). The Zambia National Farmers' Union's objectives are:

- I. To promote and safeguard the interest of members;
- II. To support the conduct and development of the agriculture industry;
- III. To collect and distribute, to members and others, information concerning agriculture and the marketing of agriculture produce or otherwise considered to be of interest to members;
- IV. To print and publish magazines, periodicals, books, leaflets and other similar material thought desirable for the promotion of the other objectives of the union or of interest to the members or intended to inform the public of matters concerning agriculture;
- V. To make representations to the government or to any competent authority with regard to matters directly or indirectly affecting agriculture (in its broadest sense);
- VI. To subscribe to the funds of any association or body having objectives or interest similar or complementary to those of the union for purposes, which in the opinion of the union governing body, would or might be beneficial to the agriculture industry;
- VII. Generally and without any restriction that is otherwise implied by the foregoing objects, to promote and safeguard the interest of members and the development and progress of the agriculture industry in the Republic of Zambia.

The ZNFU's core functions include lobbying and advocacy, member services provision and support, information dissemination and communication with members. Through these core functions, the ZNFU promotes and safeguards the members' interests and the development of the agricultural industry. In support of the above core functions, the ZNFU also performs the following functions:



- I. Supports development of agriculture by organizing members into associations to create an effective voice on concerns in the agriculture industry;
- II. Makes representations on behalf of members to government or to any competent authority with regard to matters affecting agriculture, whether directly or indirectly;
- III. Collects and distributes to members, in print and electronic form, information on agriculture and agricultural marketing. It also prints and distributes information of material interest to members and other stakeholders in the form of periodical, a magazine, position and research papers;
- IV. Facilitates and creates institutional linkages by subscribing to any association or body having objects or interests similar to or complementary to those of the union.

**i) Zambia Association of Manufacturers**

Zambia Association of Manufacturers (ZAM) is a registered business organization in the Republic of Zambia that represents the interests of the entire manufacturing sector and other related economic and production sectors in the Republic of Zambia. The Zambia Association of Manufacturers was formed with the following objectives:

- I. To promote and protect the interests of industrialists and manufacturers in the Republic of Zambia;
- II. To initiate and encourage discussion amongst members of the association on all problems concerning industries in the country;
- III. To advise the Zambian Government of any measures considered by the association to be necessary from time to time for the establishment and support of industries in the country;
- IV. To promote the sale, both inside and outside the Republic of Zambia, of all the products of all industries in the country and the attainment and maintenance of proper standards of quality in relation to price;
- V. To collaborate with the Zambian Government on the prosecution of any measures agreed under object III above;
- VI. To collaborate with any other organization having objects altogether or in part similar to those of ZAM.



**j) Zambia Chamber of Commerce and Industry**

The Zambia Chamber of Commerce and Industry (ZACCI) is the leading private sector organization in the Republic of Zambia. Through its membership, it represents several thousand businesses in the country and a huge network of companies of all sizes and sectors. ZACCI offers a range of services to its members and represents private sector interests towards the government for the benefit of the Republic of Zambia's private sector as a whole.



## ANNEX XIX: ZAMBIAN GOVERNMENT MINISTRIES, QUASI-GOVERNMENT DEPARTMENTS AND SELECTED ORGANIZATIONS

### Statehouse

[www.statehouse.gov.zm](http://www.statehouse.gov.zm)

### Office of the Vice President

+260 211 250824

[www.statehouse.gov.zm](http://www.statehouse.gov.zm)

### Ministry of Foreign Affairs

P.O. Box 50069

Lusaka

Tel: +260 211 252666

E-mail: [foreignls@zamnet.zm](mailto:foreignls@zamnet.zm)

[www.infozambia.com/directory/ministries/ministry-of-foreign-affairs](http://www.infozambia.com/directory/ministries/ministry-of-foreign-affairs)

### Ministry of Agriculture and Cooperatives

P.O. Box RW 50291

Lusaka

Tel: +260 211 252552/254645

E-mail: [secretaryps@mass.gov.zm](mailto:secretaryps@mass.gov.zm)

[www.agriculture.gov.zm](http://www.agriculture.gov.zm)

### Ministry of Commerce, Trade and Industry

P.O. Box 31968, Lusaka

Tel: +260 211 228301-9

Fax: +260 211 226984

Email: [mcti@gov.co.zm](mailto:mcti@gov.co.zm)

[www.mcti.gov.zm](http://www.mcti.gov.zm)

### Ministry of Higher Education

P.O. Box 50093

Lusaka

Tel: +260 211 253594

[www.mohe.gov.zm](http://www.mohe.gov.zm)

### Ministry of Energy and Water Development

P.O. Box 51254

Lusaka

Tel: +260 211 254936

[www.mewd.gov.zm](http://www.mewd.gov.zm)

### Ministry of Finance

P.O. Box 50062

Lusaka, Zambia

Tel: +260 211 251843

[www.mof.gov.zm](http://www.mof.gov.zm)

### Ministry of Health

P.O. Box 30205

Lusaka

Tel: +260 211 252989

[www.moh.gov.zm](http://www.moh.gov.zm)

### Ministry of Information and Broadcasting Services

P.O. Box 50200

Lusaka

Tel: +260 211 235410

[www.mibs.gov.zm](http://www.mibs.gov.zm)

### Ministry of Labour and Social Security

P.O. Box 32186

Lusaka

Tel: +260 211 221432

[www.mlss.gov.zm](http://www.mlss.gov.zm)

### Ministry of Lands

P.O. Box 30069

Lusaka

Tel: +260 211 251927

[www.mlprep.gov.zm](http://www.mlprep.gov.zm)

### Ministry of Local Government and Housing

P.O. Box 32045

Lusaka

Tel: +260 211 250528

<https://theredddes.org/countries/actors/ministry-local-government-and-housing>

### Ministry of Mines and Minerals Development

P.O. Box 31969

Lusaka

Tel: +260 211 235327

[www.mmmd.gov.zm](http://www.mmmd.gov.zm)

### Ministry of Science and Technology

P.O. Box 50464

Lusaka

Tel: +260 211 252411

[www.mohe.gov.zm](http://www.mohe.gov.zm)

### Ministry of Tourism, Environment and Natural Resources

P.O. Box 30055

Lusaka

Tel: +260 211 223930

<https://theredddes.org>

### Ministry of Transport and Communications

P.O. Box 50065

Lusaka

Tel: +260 211 254158

Email: [info@mct.gov.zm](mailto:info@mct.gov.zm)

Website: [www.mtc.gov.zm](http://www.mtc.gov.zm)

### Ministry of Works and Supply

P.O. Box 50236

Lusaka

Tel: +260 211 253447

### Ministry of Justice

P.O. Box 50106

Lusaka

Tel: +260 211252034

Website: [www.moj.gov.zm](http://www.moj.gov.zm)

### Ministry of Gender and Development

Lusaka, Zambia

Tel: +260211253513



**Ministry of Sport, Youth and Child Development**

Lusaka  
Tel. +260 211229348  
Fax: +260 211223996

**Ministry of Home Affairs**

Lusaka  
Tel. +260 211254336  
(Tel./fax): +260 211254336

**Ministry of Community Development and Social Services**

Lusaka, Zambia  
Tel. +260 211225327  
<http://mcdsw.gov.zm/department-community-development>

**Anti-Corruption Commission**

[www.acc.gov.zm](http://www.acc.gov.zm)

**Office of the Auditor General**

[www.ago.gov.zm](http://www.ago.gov.zm)

**Bank of Zambia**

[www.boz.zm](http://www.boz.zm)

**Citizens Economic Empowerment Commission**

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

**Patents and Companies Registration Agency**

P.O. Box 32020, Lusaka  
Tel: +260 211255127/255127  
Fax: +260 211 255426  
E-mail: [pro@pacra.org.zm](mailto:pro@pacra.org.zm)  
[www.pacra.org.zm](http://www.pacra.org.zm)

**Central Statistical Office**

[www.zamstats.gov.zm](http://www.zamstats.gov.zm)

**National Assembly of Zambia**

[www.parliament.gov.zm](http://www.parliament.gov.zm)

**Zambia Public Procurement Authority**

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

**Lusaka Stock Exchange**

P.O. Box 34523 Lusaka  
Tel: +260 211 228537/228391  
Fax: +260 211-225969  
E-mail: [info@luse.co.zm](mailto:info@luse.co.zm)  
Website: [www.luse.co.zm](http://www.luse.co.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)  
Website: [www.znfu.org.zm](http://www.znfu.org.zm)

**Zambian Commodity Exchange**

[www.zamace.co.zm](http://www.zamace.co.zm)

**Zambia Chamber of Commerce and Industry**

[www.zambiachamber.org](http://www.zambiachamber.org)

**Zambia Chamber of Small & Medium Business Associations**

[www.zcsmba.org](http://www.zcsmba.org)

**Zambia International Trade Fair**

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

**Zambia Information and Communications Technology Authority**

[www.zicta.zm](http://www.zicta.zm)

**Competition and Consumer Protection Commission**

<https://www.ccpc.org.zm>

**The Drug Enforcement Commission**

[www.deczambia.gov.zm](http://www.deczambia.gov.zm)

**Electoral Commission of Zambia**

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

**Zambia Department of Immigration**

Kent Building  
P.O. Box 50300,  
Lusaka  
Tel: +260-211-252650  
Fax: +260-211-252008/254393  
[www.Zambiaimmigration.gov.zm](http://www.Zambiaimmigration.gov.zm)

**Road Development Agency**

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

**National Water Supply and Sanitation Council**

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

**Zambia Bureau of Standards**

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

**Zambia National Tourism Board**

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

**Southern African Development Community**

[www.sadc.int](http://www.sadc.int)

**Common Market for Eastern and Southern Africa**

[www.comesa.int](http://www.comesa.int)

**International Monetary Fund**

[www.imf.org](http://www.imf.org)

**World Bank**

[www.worldbank.org](http://www.worldbank.org)

**European Union**

<https://eeas.europa.eu/delegations/zambia>

**United Nations Development Programme**

[www.undp.org](http://www.undp.org)

**United Nations Conference on Trade and Development**

[www.unctad.org](http://www.unctad.org)

**Bank of Zambia**

P.O. Box 30008, Lusaka  
Phone: +260 211 228888/228903-20  
Fax: +260-211-221767  
E-mail: [pr@boz.zm](mailto:pr@boz.zm)  
Website: [www.boz.zm](http://www.boz.zm)

**Zambia Environmental Management Agency**

P.O. Box 35131, Lusaka  
Tel: +260 211 254130/1  
Fax: +260-211-254164  
E-mail: [zema@zema.org.zm](mailto:zema@zema.org.zm)  
Website: [www.zema.org.zm](http://www.zema.org.zm)

**Zambia Development Agency**

P O Box 30819 Lusaka  
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