INVESTMENT OPPORTUNITIES IN THE ZAMBIAN MANUFACTURING SECTOR

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PRESENTATION OUTLINE

1. About Zambia
2. Overview – Business Climate in Zambia
3. Potential Areas for Partnership
4. Next Steps

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ABOUT US - INVEST IN ZAMBIA

**Population**: 16.79 million (2017)
**Area**: 752,614km²

**Credit Ratings (2017)**:
- Standard and Poor’s: B
- Moody’s: B3

**Inflation**: 7.9% (Sept 2018)

**Gross International Reserves**: $1.8 billion (July 2018)

**ECONOMIC STATISTICS**

**GDP**: $25.81 billion
**GDP per Capita**: $1,646.14

**Projected GDP Growth**: 4% from 3.4% in 2017

**GDP Composition By Sector**:
- Agriculture: 9.2%
- Industry: 29:2%
- Services: 61.7%

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Strategically Located – Land Linked

By Road

Nairobi – 2hrs 45mins
Harare – 45mins
Johannesburg – 2hrs
Addis Ababa – 4hrs
Dar-es-Salaam – 2hrs
Dubai – 6hrs 30mins

Next Stop? ZAMBIA!
Zambia became the 17th country to sign the COMESA-EAC-SADC Tripartite Free Trade Area Agreement (TFTA) on 17 June 2016 in Lusaka, Zambia.

TFTA is an integrated market of 26 countries with a combined population of 632 million people which is 57% of Africa’s population.
Priority Sectors and Investment Opportunities

Agriculture

Manufacturing

Energy

Infrastructure Development

Tourism
SECTORS TO INVEST IN

- Agro-processing
- Building Products
- Beverages (Alcoholic & Non-Alcoholic)
- Electrical Engineering
- Explosives
- Gemstones
- Industrial Gases
- Leather & Leather Products
- Pharmaceuticals
- Wood & Wood Products
- Metal Fabrication & Engineering
- Milling
- Paints
- Paper/ Printing
- Petroleum Products
- Plastics
- Refractory/ Cement
- Rubber Products
- Soaps & Chemicals
- Textiles & Garments

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Business Climate in Zambia – POLICIES

DRIVERS OF SUCCESSFUL ECONOMIC GROWTH

• Vision 2030
• Seventh National Development Plan (2017-2021)
• Industrial Policy (2018), Competition Policy, Local Content Strategy, Investment Promotion Strategy
• Companies Act, Business Names Act, Patents Act, Trademarks Act, Registered Industrial Designs Act

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Business Climate in Zambia – INSTITUTIONS

DRIVERS OF SUCCESSFUL ECONOMIC GROWTH

• Ministry of Commerce, Trade and Industry
  • Quality and Standards Regulators: ZABS, ZCSA, ZMA
  • Technology and Innovation: NTBC
  • Productivity: KAIZEN Institute of Zambia
  • Investment Promotion: ZDA
  • Business Regulatory Review Agency (ZRA)
• Ministry of Labour and Social Welfare
  • Industrial Relations, Occupational Health and Safety, Labour Rights

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Business Climate in Zambia – SUPPORTING FOREIGN INVESTMENT

• MFEZ, Industrial Parks, Farmblocks;
  • 6 current, 2 new being developed – Kalumbila and Iron and Steel MFEZ (Kafue)
  • Affordable labor, vast raw materials, abundant land.

• Investment Incentives in Manufacturing (Tax and Non Tax)
  • E.g. zero import duty on raw materials, capital goods and machinery (first 5 years)

• Tax Policy Supporting Value Addition
  • 10% on Export Sakes manganese ore, gold, semi-precious stones and emeralds
  • Lower corporate tax rate of 10% in agro processing as compared to 35% for other.

• Private Sector Development Reforms

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Manufacturing Sector Opportunities

• Food Processing Plants
• MFEZ Plant Investment
• Packaging Plants – glass packaging, recyclable packaging/climate smart packaging
• Machinery Plants – e.g. agro-processing machinery, manufacture of spare parts
• Alternative Energy – Off grid solutions
• Sector Specific Skills Development Centres

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What are some recent examples of successful Foreign Investment Initiatives?

• **AGROPROCESSING**
  - Fastest growing sub-sector (13%) despite recent slow down. - Processed and refined foods, beverages
  - AbInBev recently invested $33 million in a malt processing plant in LSMFEZ (Cassava Beer)

**CEMENT & REFRACTORY**
New Investments by Dangote Industries and Sinoma Manufacturing

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What are some recent examples of successful foreign investment initiatives

• **TOBACCO PROCESSING**
  - Favourable Tax Policy - Investments in processing plants by leading Tobacco Processing Companies.
  - BAT - $25 million, JTI Leaf

• **ENGINEERING AND FOUNDRY**
  - Over $70 million invested in Ferro Alloys Industry (4 plants) processing Managenese Ore into Silico Manganese

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Successful Investors in Zambia
SUMMARY

10 Reasons to Invest in Zambia

1. Political stability, peace and democracy
2. Adherency to rule of Law, positive and investor friendly environment
3. Investment guarantees and Security
4. Abundant natural resources presenting excellent investment and trade opportunities
5. Private Sector driven Government Economic Development Policy in place
6. Attractive Investment Incentives
7. No exchange controls and repatriation of 100% of profits since 1994
8. Duty free access to regional, wider Africa, EU and USA Market.
9. Progressive Banking legal and Insurance Services of International standards
10. Good place to work and live, friendly people with rich culture.
1. To Invest Contact Zambia Development Agency

The Director General
Zambia Development Agency
Privatisation House, Nasser RD
P.O. Box 30819,
LUSAKA, ZAMBIA.
Tel: +260 211 220177
Fax: +260 211 225270

2. Contact ZAM to Join the Voice of Industry Once Registered!

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