

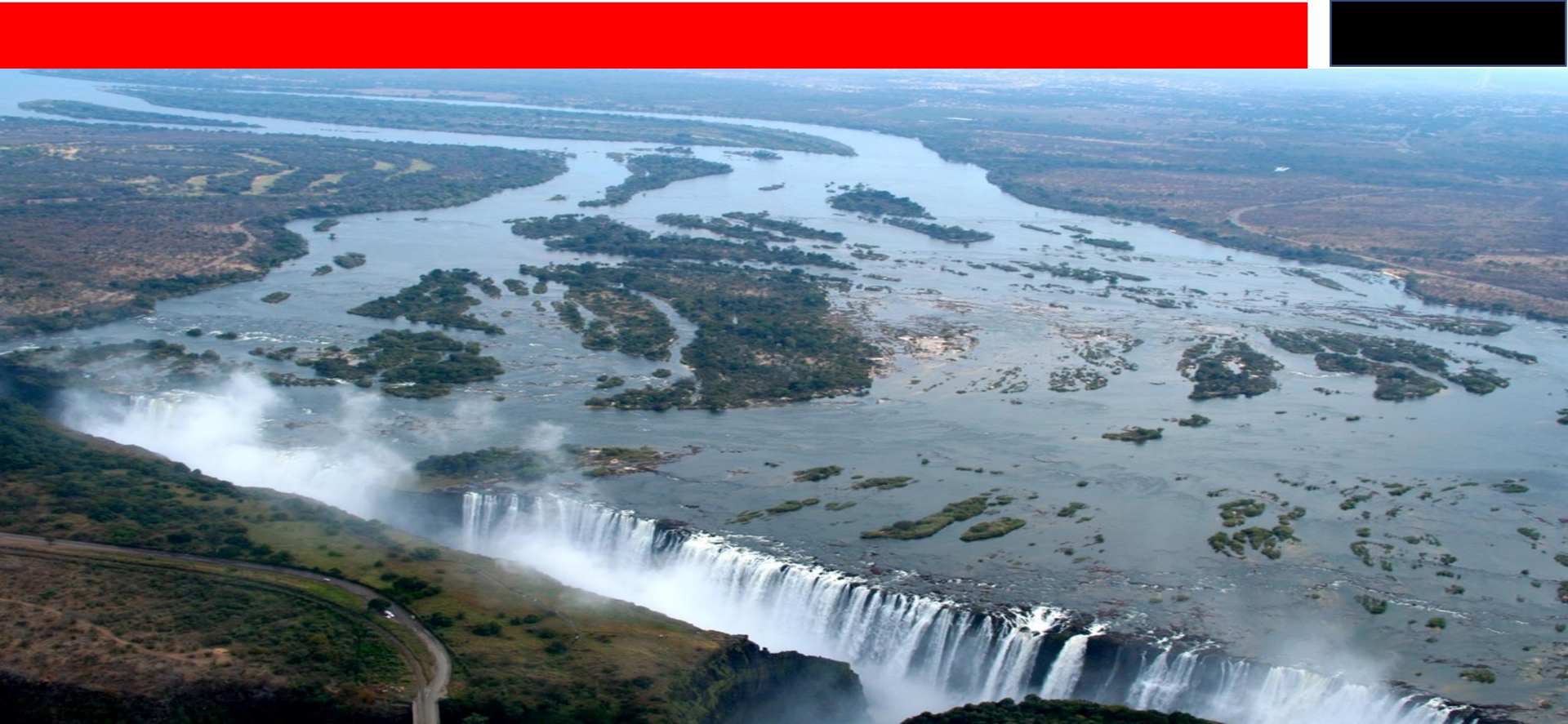
INVESTMENT OPPORTUNITIES IN THE ZAMBIAN MANUFACTURING SECTOR



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ZAMBIA ASSOCIATION OF MANUFACTURERS



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



By Air



By Rail



Nairobi – 2hrs 45mins

Harare – 45mins

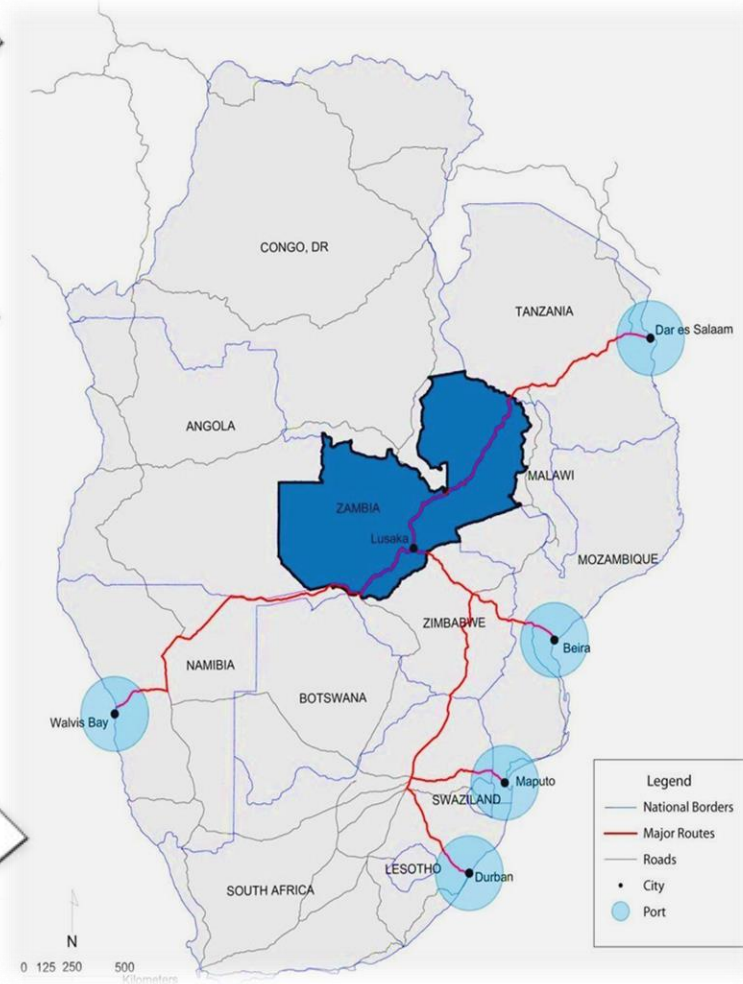
Johannesburg – 2hrs

Addis Ababa – 4hrs

Dar-es-Salaam – 2hrs

Dubai – 6hrs 30mins

Next Stop? ZAMBIA!



Gateway to Three Regional Markets: SADC, COMESA & EAC

Untapped growing regional market



SADC - 2014

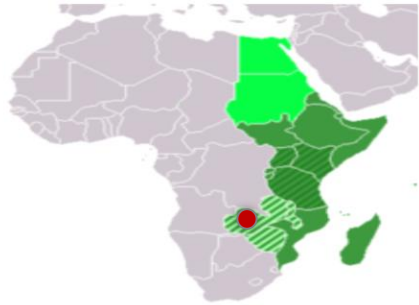
Approx. 301 million people
Real GDP US \$ 529 billion

EAC – 2013

Approx. 153.12 Million
GDP \$108.98 Billion

COMESA – 2014

Approx. 482 million people
Real GDP US \$ 353.8 billion



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.



Other Market Opportunities include;

- EU through EBA
- USA through AGOA initiative
- Canadian, Chinese & Japanese Market Access Initiatives
- AfCFTA

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 SUCESSFUL 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 SUCESSFUL 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



think local first.

- 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 \$33million 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 Manganese Ore into Silico Manganese



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Successful Investors in Zambia





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**.



NEXT STEPS FOR INVESTORS

1. To Invest Contact Zambia Development Agency



Zambia Development Agency
Promoting economic growth and development

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!



The Chief Executive Officer
Zambia Association of Manufacturers.

Stand No. 2374, Mopani Parade, Showgrounds, Lusaka, Zambia.

T: +260-211-253696; F: +260-211-253693 M: +260 965 787338

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THANK
YOU



ARIGATOU GOZAIMASU!