

INVESTOR'S GUIDE HANDBOOK

Table of Contents

	Page
CHAPTER ONE	
ZAMBIA PROFILE	3
Description of Zambia	
Political and Legal System	
Economy	
CHAPTER TWO	
INVESTMENT CLIMATE	
8	
Reasons for Investing in Zambia	
Investment Incentives	
Legal Framework for Protection of Investment	
CHAPTER THREE	
IMPORT AND EXPORT CONSIDERATIONS	
13	
Import Procedures	
Export Procedures	
Regional Agreements	
CHAPTER FOUR	
TAXATION	17
Tax System	
Corporate Tax	
Personal Income Tax	
Value Added Tax	
Double Taxation Agreements	
CHAPTER FIVE	
REGISTRATION, LICENCES AND PERMITS	
19	
Company Formation and Registration	

The Investment Certificate
Sector Licences / Permits
Other Licences

CHAPTER SIX

LABOUR CONSIDERATIONS
25
Labour Availability
Labour
Labour Laws and Regulations
Working Conditions

CHAPTER SEVEN

LAND 29
Land Availability
Land Acquisition and Transfer

CHAPTER EIGHT

GROWTH SECTORS FOR INVESTMENT
32
MANUFACTURING
AGRICULTURE
MINING
ENERGY
OTHERS

CHAPTER NINE

LIVING IN ZAMBIA 34
Climate
Housing
Travel and Vehicles
Health
Education
Clothing
Shopping
Leisure Activities
Money and Banks
Re-entry Requirements
General

APPENDICES

Selected Economic Indicators	
38	
Gross Domestic Product by Kind of Economic Activity	
39	
Useful Contact Addresses	40

CHAPTER ONE

ZAMBIA PROFILE

DESCRIPTION OF ZAMBIA

Located in the Southern Africa Sub-region, Zambia is a landlocked country covering an area of 752,614 km². It is bordered by Tanzania (in the North), Malawi (in the East), Mozambique (in the South-East), Zimbabwe (in the South) Botswana and Namibia (in the South-West), Angola (in the West) and the Democratic Republic of Congo (in the North-West).

The country has an estimated population of 12.2 million (2007 estimate) and its annual population growth rate is estimated at 3.1 percent. It is estimated that about 46% of the population, representing an active and productive workforce, are between 15 and 64 years of age.

POLITICAL AND LEGAL SYSTEM

A multi-party democratic system of government with a distinct separation of powers between the legislative (parliament), executive (cabinet) and judiciary (courts of law) organs of Government govern Zambia. Zambia's main political parties include the ruling Movement for Multi Party Democracy (MMD), the Patriotic Front (PF), and the United Party for National Development (UPND). Other smaller parties include, the United National Independence Party (UNIP), Forum for Democracy and Development, Heritage Party and Reform Party.

Both the president (who must belong to a registered political party) and members of parliament are elected by the people and the president appoints, from within elected and nominated members of parliament, the cabinet ministers.

The parliament, headed by the Speaker of the National Assembly, comprises 150 elected members and up to 8 members nominated by the president. The Supreme Court is the highest court of appeal and is headed by the Chief Justice.

THE ECONOMY

SECTORAL DESCRIPTION

MINING

Zambia has an abundance of known mineral deposits. The country is the world's fourth largest producer of copper and holds six percent of the world's known reserves thereof. Copper and cobalt, as the country's traditional exports account for well over 70% of export earnings. Opportunities for the exploitation of other minerals have been identified. These include gold and gemstones (eg emeralds, aquamarine, topaz, opal, agate and amethysts). Diamond reserves have also been identified. Zambia produces over 20% of the world's emeralds. The mining sector contributes an average of 8.8% of GDP and grew by 11.8% in 2006 compared to a growth of 7.9% in 2005.

AGRICULTURE

Government regards the growth of the agricultural sector as a crucial element in enhancing Zambia's foreign exchange earnings and economic development. Although the agricultural sector employs more than half of the total labour force, only 15 percent of the arable land is under cultivation. It is because of this potential that the government encourages investment in commercial farming. The agriculture sector contributes an average of 14.3% to GDP, and grew by 2.4% in 2006, compared to a decline of 0.6% in 2005.

MANUFACTURING

The government has been forceful in introducing policies to stimulate economic growth and specifically in the manufacturing sector. The main emphasis has been on food processing and textile production. The growth potential in other industries is vast. Support measures designed to aid manufacturing enterprises in non-traditional sectors are being implemented. The manufacturing sector contributes about 14.3% to GDP and grew by 3.3% in 2006 compared to a growth of 2.9% in 2005. Most of the growth came from the Food, Beverages and Tobacco sub-sector.

TOURISM

The vast potential in the tourism sector in Zambia, with its natural beauty (including the Victoria Falls, which is one of the most renowned beautiful transcendental Seven Natural Wonders of the World) and the wealth of wildlife have yet to be fully exploited. Zambia has 19 national parks and 34 game management areas with a total of 65,000 km² set aside for wildlife conservation.

The main constraints facing the tourism industry include relatively underdeveloped infrastructure as well as inadequate supply of competitive accommodation. This is one of the areas that offer great potential to investors.

The tourism industry has grown over the past 3 years, contributing an average of 2.5% to GDP. Increasing interest from foreign investors is evident with the establishment of hotels in the major tourist town of Livingstone and the city of Lusaka.

ABUNDANT WATER

Zambia has an abundant supply of reliable water, with 45 percent of the total water resources of the Southern African Region found in Zambia, thus providing massive investment opportunities for hydro-electric power, irrigated agriculture, home and industrial use (through the Build Operate, Build Own Operate & Transfer schemes). In areas where surface water is inadequate, underground water resources are used at no great cost.

INFRASTRUCTURE

Road network

The government of Zambia has embarked on the process of rehabilitating the road network, which covers 38,763 km of which 6,173 km are bitumen, 8,592 km gravel and 23,998 km is unclassified. A five and ten year Road Sector Investment Programme, estimated at U S \$ 411.9 million and U S \$ 860.3 million

respectively, has continued to generate interest from the multilateral and bilateral agencies as well as the private sector.

Rail network

Rail network remains the dominant mode of transportation (83.4%) for goods on the local and international routes. However, the infrastructure requires urgent rehabilitation, and with the support from Donors, the formerly state-owned Zambia Railways was privatized through a 25-year concession to Railway Systems of Zambia. Another major rail line links Zambia with Tanzania, is jointly owned by the Zambian and Tanzanian governments and is run by Tanzania-Zambia Railway Authority (TAZARA). The Chipata-Mchinji Railway is under construction and will link Zambia with Malawi and Mozambique.

Airports

Zambia has more than 130 airfields, one third of which are Government-owned while the rest are privately owned. The Lusaka and Livingstone International Airports are Zambia's main airports connecting the country with the region and the rest of the world. The smaller airports include Ndola, on the Copperbelt province and Mfuwe, in the Luangwa National Park.

ENERGY

With its vast water resources and coal reserves, Zambia offers abundant investment opportunities for hydroelectric power generation, supply and distribution. The country has well over 1,750 MW of hydroelectric generating capacity. Proven coal reserves exceed 30 million tonnes and satisfy 9% of energy demand. The sector is regulated by the Energy Regulations Board, a statutory body established by an Act of Parliament.

Hydro-electricity is mainly supplied and distributed by the Zambia Electricity Supply Corporation (ZESCO) – a statutory body whose operations were commercialized in 2006.

The country's only major energy import is petroleum, which satisfies 12% of total energy demand.

TELECOMMUNICATIONS

Zambia is a member of INTELSAT and accesses an earth satellite station, which provides telex, telephone (direct-dial) and television links with the rest of the world. The country also enjoys state-of the-art electronic mail and Internet

facilities. The sector is regulated by the Communications Authority of Zambia, another statutory body established by an Act of Parliament.

Over 97 percent of the telephone exchanges are automatic. In the main urban centers public telephones and privately operated cellular telephone networks are in place.

The Telecommunication infrastructure is relatively developed and the state-owned Zambia Telecommunications Company (ZAMTEL) is earmarked for commercialization. There are currently 3 companies providing mobile telephone services namely Celtel, MTN and Cell-Z (a mobile segment of ZAMTEL).

HEALTH

Government and private hospitals and clinics provide health care. The private hospitals have earned a reputation as providers of good quality health care. Major surgery cases are usually referred to the Republic of South Africa. Flying doctor services cover remote areas and provide immediate care and transport for urgent cases. Investment opportunities for establishing specialised hospitals to treat such referral cases are, therefore, unexploited.

EDUCATION

Revitalization of the educational system is being accorded high priority especially in primary education. The Education Sector Investment Programme (ESIP) stresses the rehabilitation of educational facilities and improvement of the quality of education. There currently only three (3) universities and relatively a good number of technical colleges, thus the massive investment opportunities for provision of university level and other tertiary education.

FINANCIAL SYSTEM AND THE CAPITAL MARKET

The financial system of the country is regulated by the Bank of Zambia, which is the country's central bank. The main commercial banks are Barclays Bank Limited, Standard Chartered Bank Plc, Stanbic Bank Limited, Zambia National Commercial Bank Plc and Finance Bank Limited. The smaller banks include Indo-Zambia Bank Limited, Citibank Limited, Cavmont Capital Bank Limited, Invest Trust Bank Limited and Bank of China. In addition to normal commercial banking, the sector is engaged in loan syndications.

The capital market has, following the establishment of the Lusaka Stock Exchange (LuSE) and the repeal of the Exchange Control Act in 1994, boosted

the financial system. There are currently 16 listed and 11 quoted companies on the LuSE.

ECONOMIC REVIEW

Government has continued to pursue liberalised market-led economic policies aimed at facilitating a private-sector-led economic development of the country. The Ministry of Finance and National Planning formulates government's economic policy.

The IMF prescribed Poverty Reduction and Growth Facility, which commenced in 1999, has continued to be implemented in order to improve the economic environment. Zambia reached the Highly Indebted Poor Country (HIPC) completion point in April 2005. Having attained the final stage of the HIPC process, the country has received substantial debt relief which has seen a reduction in Zambia's external debt stock. The total external debt, which was estimated at US\$7.2 billion, reduced to US\$1.5 billion by end of 2006.

Gross Domestic Product

The economy registered a real gross domestic product (GDP) growth rate of 5.9% in 2006 (up from 5.2% in 2005).

Major primary contributors to GDP, in 2006, were: agriculture (13.7%), mining (9.1%), manufacturing (10.4%), and construction (9.6%). Growth sectors presently being promoted by the Government comprise the mining, agriculture, manufacturing, and tourism sectors. Growth sectors have experienced exponential growth in recent years, and are expected to continue this trend in future due to the numerous investment opportunities currently available in Zambia.

Other positive sectoral growth rates are reflected on the table on appendix 2.

Fiscal Outturn

Government's fiscal policy is focused on achieving a domestic budget surplus, through the continued adherence to a cash budget, improved revenue collection and strict control of expenditures. Other fiscal policy objectives are focussed at reducing public debt so as to increase liquidity available to the private sector for investment and increasing social sector expenditures in order to alleviate poverty.

Economic Outlook

The prospects for continued economic growth look bright, given the enhanced investment in the mining sector and the anticipated increase in non-traditional exports, following government's ratification of the SADC Trade Protocol.

CHAPTER TWO

INVESTMENT CLIMATE

REASONS TO INVEST IN ZAMBIA

Zambia is a multi-party democracy and provides a market-oriented liberalized economic environment in a strife-free, multicultural society. The Zambian Government welcomes investors across all sectors and has designed a package of incentives aimed specifically at creating a conducive investment climate for increased domestic economic growth.

The country's central location in the region, as well as a combination of the following key strengths makes it an ideal investment location:

- Abundance of natural resources and manpower, which are highly under-utilized.
- Political Stability since attaining independence in 1964
- Abolition of Controls on: prices, interest rates, foreign exchange rates, free repatriation of debt repayments
- 100% repatriation of net profits
- Guarantees and Security to investors with legislated rights to full and market value compensation
- Duty Free Access to Regional, wider African and the USA markets under SADC, COMESA/FTA and AGOA (African Growth and Opportunity Act) respectively
- Banking, Financial, Legal and Insurance services of international standard as well as a Stock Exchange
- Double Taxation Agreements with a number of European, North American, African and Asian countries
- Good place to work and live – sub-tropical climate and vegetation with plenty of water and electricity. Friendly people, mostly English speaking with high literacy rate. Educational establishments to University level. Strong religious values. Open-air lifestyle with nature reserves, game parks, rivers, lakes and waterfalls.

- Thriving Private Sector – Government has successfully privatized most of the previously state owned businesses thus encouraging an entrepreneurial culture.

INVESTMENT INCENTIVES

The Zambia Development Act of 2006 offers a wide range of incentives in the form of allowances, exemptions & concessions for companies. The Act provides for investment thresholds that investors have to meet to qualify for fiscal and non-fiscal incentives. There are five categories of investors who can be considered under the ZDA Act.

The first is that of investors who invest not less than us\$ 10 million in an identified sector or product. This category of investors is entitled to negotiation with the government for additional incentives other than what they might already qualify for under the zda act.

The second category is that of investors who invest not less than us\$500,000 in the Multi Facility Economic Zones (MFEZ) and /or in a sector or product provided for as a priority sector or product under the ZDA Act. This category, in addition to being entitled to the general incentives, is entitled to the following incentives:

- Zero percent tax rate on dividends for 5 years from year of first declaration of dividends.
- Zero percent tax on profits for 5 years from the first year profits are made. for year 6 to 8, only 50 percent of profits are taxable and years 9 & 10, only 75 percent of profits are taxable.
- Zero percent import duty rate on raw materials, capital goods, machinery including trucks and specialised motor vehicles for five years.
- Deferment of VAT on machinery and equipment including trucks and specialised motor vehicles.

The third category of investors relates to investors who are designated as micro or small enterprises under the ZDA Act. Like the second category, this category is also, in addition to the applicable general incentives, entitled to the following incentives:

- for an enterprise in an urban area the income shall be exempt from tax for the first three (3) years.
- for an enterprise in a rural area the income shall be exempt from tax for the first five (5) years.

The fourth category is that of investors who invest less than U S \$500,000 in a sector or product provided for as a priority sector or product under the ZDA Act. This category is only entitled to general incentives.

The fifth and last category is that of investors who invest any amount in a sector or product not provided for as a priority sector or product under the act. this category of investors is also only entitled to general incentives provided under the various pieces of legislation.

General incentives are incentives available to investors investing in various sectors of the economy. these incentives are provided for under the pieces of legislation falling under the Zambia Revenue Authority, namely: the Customs and Excise Act, Income Tax Act and Value Added Tax Act.

GENERAL TAX INCENTIVES

The main general tax incentives include the following:

Income Tax:

1. Income earned by companies in the first year of listing on the Lusaka stock exchange qualifies for a 2% discount on the applicable company tax rate in the particular sector, however companies with more than 1/3 of their shareholding in the hands of Zambians qualify for a 7% discount;
2. Implements, machinery and plant used for farming, manufacturing or tourism qualify for wear and tear allowance of 50% of the cost per year in the first two years;
3. Building used for manufacturing, mining or hotel qualify for wear and tear allowance of 10% of cost in first year and 5% of cost per year in subsequent years;
4. Duty free importation of most capital equipment for the mining and agriculture sectors;
5. Corporation tax at 15% on income from :
 - a. farming;
 - b. fertilizer production;
 - c. non-traditional exports;
6. Farm works allowance of 100% of expenditure on stumping, clearing, prevention of soil erosion, bore holes, aerial and geophysical surveys and water conservation; and
7. Development allowance of 10% of the cost of capital expenditure on growing of coffee, banana plants, citrus fruits or similar plants.

8. Farm improvement allowance - capital expenditure incurred on farm improvement is allowable in the year of incurring the expenditure.
9. Dividends paid out of farming profits are exempt for the first five years the distributing company commences business.
10. Initial allowance of 10% on capital expenditure incurred on the construction or improvement of an industrial building is deductible;
11. Foreign exchange losses of a capital nature incurred on borrowings used for the building and construction of an industrial or commercial building are tax deductible.
12. Dividends declared by companies assembling motor vehicles, motor cycles and bicycles are exempt for the first five years of initial declaration of dividends;
13. Carry Forward of Losses

CARRY FORWARD LOSSES	YEARS
Copper and Cobalt mining	10 or (20 years for KCM and MCM)
Other mining	5
Non-mining	5 years
Farming and non-traditional exports	5 years

Value Added Tax:

1. Relief for VAT registered businesses on imports of eligible capital goods. (VAT deferment);
2. Zero rate on export of taxable products;
3. Relief of vat on transfer of business as a going concern;
4. Equal treatment of services for vat-reverse vat;
5. Cash accounting for specialized associations e.g. association of building and civil engineering contractors;
6. VAT relief on input tax paid for purchases made by registered suppliers.
7. Input tax claim for three months prior to vat registration for businesses that have already commenced trading;
8. Reduction of VAT rate for investors in tax free zones.

VAT Sector-Specific Incentives

Agriculture

1. Input tax claim for three months prior to vat registration for businesses that have already commenced trading;
2. Reduction of vat rate for investors in tax free zones.

Manufacturing

1. Refund of Zambian vat on purchase and export of Zambian products by non-resident businesses under the commercial exporters scheme;
2. Input tax claim for three months prior to registration for businesses that have already commenced trading.
3. Input tax claim for two years prior to commencement of production.

Mining

1. Input tax claim for five years on pre-production expenditure for exploration companies in the mining sector;
2. Zero rate on mining products for export.

Tourism

1. Zero rate - accommodation in Livingstone district up to 2009.
2. Zero rate - tour packages;
3. Zero rate-other tourist services;
4. Refund to non-resident tourists and visitors;
5. No import vat on all goods temporarily imported into the country by foreign tourists.

Customs Duty Incentives

Most capital equipment attract duty rates of 0 to 5 %.

Further, relief is granted under the duty drawback scheme. to qualify for the duty back scheme the following conditions must be met:

- the company or individual must be in the manufacturing business
- the company or individual must be an exporter or intends to start exporting
- must be in any sector other than the mining sector.

NON –FISCAL INCENTIVES

Other than the generous tax incentives, the ZDA Act also provide for non –fiscal incentives. Investors, who invest at least U S \$250,000 and employ not less than 200 local persons, are entitled to a self employment permit and employment permits for up to five (5) expatriates.

FACILITATION SERVICES

Besides providing the fiscal and non-fiscal incentives the ZDA provides facilitation services to its clients. in this regard, the ZDA facilitates registered investors to:

- Acquire land;
- Obtain water, electric power, transport, and communication services and facilities required for their investments;
- Regularize their immigration status;
- Acquire other licences required to operate a business in any particular sector; and
- Access any other after care assistance that may be required.

In addition to the tax incentives and services that the ZDA provides to investors, there are other benefits that investors enjoy when they invest in Zambia. Investors who invest in Zambia enjoy the following guarantees:

- Free repatriation of profits & dividends
- Business cannot be compulsorily acquired by government, except by act of parliament in extreme circumstances
- Protection against non-commercial risks, as Zambia is a signatory of multilateral investment guarantee agency (MIGA and Africa trade Insurance Agency.
- Impartial forum for resolving disputes
- Special bilateral Investor Protection Agreements exist while new ones can be entered into.

In order to qualify for ZDA incentives the ZDA act provides that investors need to invest in a priority sector. The priority sectors are outlined below:

The Priority Sectors are:

- (a) Floriculture fresh flowers and dried flowers
- (b) Horticulture fresh and dried vegetables
- (c) Processed foods wheat flour other processed foods
- (d) Beverages and stimulants
 - (i) Tea and tea products
 - (ii) Coffee and coffee products

- (e) Production and the processing of the following products in the textile sector
 - (i) Cotton
 - (ii) Cotton yarn
 - (iii) Fabric
 - (iv) Garments
- (f) Manufacturing of the following engineering products
 - (i) Copper products
 - (ii) Iron ore and steel
 - (iii) Cobalt
 - (iv) Other engineering products
- (g) Beneficiation of phosphates and any other related material into fertilizer
- (h) Beneficiation of rock materials into cement
- (i) Production and processing of raw timber into wood products
- (j) Production and processing of the following products in the leather sector:
 - (i) Cattle hides
 - (ii) Crust leather
 - (iii) Leather products
- (k) Building of mini-hydro power stations
- (l) Education and skills training

MFEZ Priority Sectors are:

- (a) Information and Communication Technology (ICT)
 - (i) Development of computer software
 - (ii) Assembly/manufacture of ICT equipment
- (b) Health
 - (i) Manufacture of pharmaceutical products;
 - (ii) Repair and maintenance of medical equipment;
 - (iii) Provision of laundry services to medical institutions;
 - (iv) Ambulance services;
 - (v) Medical laboratory services;
 - (vi) Diagnostic services; and
 - (vii) Other medical services.
- (c) Education and skills training
- (d) Manufacture of:

- (i) Machinery & machinery components
 - (ii) Iron & steel products
 - (iii) Electrical and electronic products & components & parts thereof;
 - (iv) Chemicals & petrochemicals
 - (v) Pharmaceutical & related products
 - (vi) Wood & wood products
 - (vii) Palm oil & their derivatives
 - (viii) Pulp, paper & paper board
 - (ix) Textile & textile products
 - (x) Transport equipment, component & accessories
 - (xi) Clay-based, sand-based & other non-metallic mineral products;
 - (xii) Plastic products
 - (xiii) Professional medical, scientific, & measuring devices/parts
 - (xiv) Rubber products
 - (xv) Leather & leather products
 - (xvi) Packaging & printing materials
 - (xvii) Fertilizer
 - (xviii) Cement
- (e) Tourism
- (f) Processing of:
- (i) agricultural products
 - (ii) forest products
 - (iii) non-ferrous metals & their products
 - (iv) gemstones

LEGAL FRAMEWORK FOR INVESTMENT PROTECTION

The Zambia Development Act assures investors that property rights shall be respected. No investment of any description can be expropriated unless Parliament has passed an Act relating to the compulsory acquisition of that property. Also, in case of expropriation full compensation shall be made on market value and shall be convertible at the current exchange rate.

Zambia is a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and other international agreements. This guarantees foreign investment protection in cases of war, strife, disasters, and other disturbances or in cases of expropriation. Zambia has signed bilateral reciprocal promotional and protection of investment protocols with number of countries.

FIRST VISIT CONSIDERATIONS

Visitors' Visa

Nationals of Common Market for Eastern and Southern Africa (COMESA) and Commonwealth member countries generally do not require visa to visit Zambia. However, there are exceptions as Nationals of following Commonwealth countries do require visas to visit Zambia;

- The Gambia
- Ghana
- India
- Pakistan
- Papua New Guinea
- Sri Lanka
- United Kingdom

Obtaining a visa is generally straight forward, provided that all the required documentation is available. Visa may be obtained from:

*The Chief Immigration Officer
New Kent Building
Haile Selassie Road
P. O. Box 50300
Lusaka. Zambia.*

Alternatively visas may be obtained from any Zambian High Commission and Embassy overseas. It is also possible to obtain a Visa at Zambia entry points for some specified foreign country nationals (e.g. UK and the USA –please check prior to departure). It should be noted that a work permit is required before any foreign national can take up employment in Zambia.

An Airport departure fee of US\$20 for international travel and US\$8 for domestic travel has to be paid prior to checking in for the flight. In most cases the fee is included in the air-ticket fare.

Vaccinations

- Cholera: required if passengers are coming from an infected zone.
- Yellow Fever: required only if passengers have been in an infected zone a week prior to their arrival in Zambia.
- Anti-Malarial Precaution: highly recommended that visitors take anti-malarial medication before coming to Zambia. Please contact competent medical authority in your country for appropriate advice.

Travel and Accommodation

Airlines

There are direct international flights into Lusaka from London, Johannesburg, Nairobi, Dar-Es-Salaam and Lilongwe as well as from the Copper-belt town of Ndola to Johannesburg.

Air Charter

For the businessperson who cannot fit his/her busy schedule into designated daily flights, it is possible to charter a plane from reputable companies.

Hotels

Zambia has hotels of international standard, which provide first class business and conference facilities.

Car Rentals

There are a number of car rental companies, which provide luxury cars, including Four Wheel Drive vehicles, both in town and at the Airports.

General Considerations

Driving

- Left hand side of the road.
- Legal driving age is 18 years old.
- All foreign drivers must have an International Driving Permit.

Electrical Current: 220-240 Volts

Weights and Measures: the metric system

Monetary System

- Currency: Zambian Kwacha (ZMK)
100 Ngwee = 1 ZMK
- Denominations:
Notes: K20, K50, K100, K500, K5000, K10000, K20000, K50000
Coins: None in circulation

There are no restrictions on importation of foreign currency into Zambia. The only requirement is that all cash and travellers 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 travellers cheque purchase is needed) and can be changed over the counter in any bank and at the numerous Bureau de Change. ATM machines are located outside the banks as well as at the Shopping Malls.

Business Hours

Zambians use 24-hour clock, in conversation as well as in writing (instead of the "a.m." or "p.m."). Normal working hours in government and private sector offices are from 8.00 – 13.00 hours and 14.00 – 17.00 hours between Monday and Friday. Banks operate from 8.15 – 14.30 hours between Monday and Friday. Most banks are closed for business at weekends except the first and last Saturdays of each month when they open from 8.15 –11.00 hours. Supermarkets are open every day until 21.00 hours except until noon on Sunday.

Public Holidays

1 st January	New Year's Day
12 th March	Youth Day
Easter	Good Friday
Easter	Easter Monday
1 st May	Labour Day
25 th May	Africa Freedom Day
1 st Monday in July	Heroes Day
1 st Tuesday in July	Unity Day
1 st Monday in August	Farmers Day
24 th October	Independence Day
25 th December	Christmas*

*Many organizations close shortly before Christmas for "industry break" and reopen after first week in January.

Zambians are relatively very friendly people. If you have any problems any Zambian asked for help will be glad to assist you. Enjoy your stay and we hope you will come back to invest in a profitable enterprise and at the same time help in our economic growth.

CHAPTER THREE

IMPORT AND EXPORT CONSIDERATIONS

IMPORT PROCEDURES

Company Incorporation

All businesses engaging in both domestic and international trade are required by law to be registered with the Patents and Companies Registration Office, an Executive Agency of the Ministry of Commerce, Trade and Industry. Registration is either by:

- a business name
- a public or private company (therefore being incorporated in Zambia) or
- a foreign company.

The minimum capital required for registering a public or private company is K5 million. Registration fees (inclusive of name search, forms, processing of application forms) are as follows:

- K25,000 name clearance
- K80,000 (for registering a business name)
- K255,000 (for registering a limited company)
- K1,350,000 (for a foreign company)

Customs Clearance and Valuation

In order to clear goods through Customs, an importer must present the usual commercial documents such as 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 uses the Zambia Revenue Authority (ZRA) form **CE 20**, the standard form for entry and exit. Zambia is using the Automated System for Customs Data and Management (ASYCUDA). Customs clearance can be accomplished within hours, however incomplete forms and other difficulties, e.g., lack of supporting documents, can result in substantial delays.

Tariff Structure

Zambia applies tariffs on the c.i.f. (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. Zambia uses the international harmonized system. Zambia's 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 percent tariff categories, while most imported intermediate goods are subject to 15 percent, and imported final products are rated at 25 percent. Zambia's simple average import tariff is about 14 percent.

Other Levies and Charges

Zambia levies excise duties on certain products at rates ranging from 3 percent to 145 percent. The excise duty is collected on mineral water, cane and beet sugar and some derivatives, beverages, tobacco and some derivatives and substitutes, electricity and petroleum products.

The Value Added Tax (VAT) of 17.5 percent applies to both goods and services, of domestic production and those that are imported. VAT is levied on the c.i.f. value plus customs tariff. Exemptions from VAT include social services such as health, education, and funeral services.

Import Restrictions

Import prohibitions are maintained for environmental, health and security reasons. Import licensing is required for most agricultural products. Zambia does not currently 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 which requires packaging and labeling requirement for food, and standards for maize samp, rice and bread exist.

EXPORT PROCEDURES

As is the case with import procedures all businesses engaging in trade are required to register with the Patents and Companies Registration Office.

Exporters must complete an export declaration form (standard customs authority form ZRA **CE 20**), mainly for statistical purposes. An original commercial invoice and a packaging list for shipment should accompany the form **CE20**. An airway bill or bill of lading for transportation of exports should be obtained either from the freight forwarder or the transporter being used. 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, from the ZRA is required. COMESA, SADC, EU and AGOA textiles have different certificates of origin.

If the good is a commodity covered by the Veterinary Department, a sanitary/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; timber requires a timber verification certificate from the Forestry Department. Additional information on exports may be obtained from:

*The Director General
Zambia Development Agency (Export Promotion Division)
Tel: 222509
LUSAKA
E-mail: ebzint@zamnet.zm*

REGIONAL AGREEMENTS

The Common Market for East and Southern Africa

The Common Market for East and Southern Africa ¹ (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 1st 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 themselves. The eligible goods 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 Egypt, Sudan, Djibouti, Malawi, Madagascar, Mauritius, Zambia and Zimbabwe.

A COMESA Certificate of Origin is required for each consignment of goods and is obtained from the Revenue Authority in respective member countries.

The Southern Africa Development Community

Members of the Southern African Development Community (SADC), comprising 14 countries², signed a Trade Protocol, which calls for the implementation of a Free Trade Area. Each country has negotiated two reduced tariff schedules. One schedule is applicable only for South Africa and another schedule for all other SADC members. Zambia's implementation of her offer, which came into effect on 30th April 2001, is provided to those countries that provide Zambia with the SADC reduced tariff schedule.

The reduction of tariffs to South Africa provide for delayed liberalization, while the schedule to other members provide for broader and faster access to the South Africa market. The tariff schedule applicable to SADC members, with the

¹ COMESA is composed of 19 members: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Swaziland, Uganda, Zambia and Zimbabwe.

² SADC member countries are Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

exception of South Africa, has three categories. Categories A are those products which 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 twelve years after implementation. Category C products are known as sensitive products, and include for 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 Revenue Authority.

MEASURES AFFECTING PRODUCTION AND TRADE

Competition Policy

The Competition and Fair Trading Act aims to encourage competition in the economy by prohibition of anti-competitive trade practices and to regulate monopolies and concentration of economic power. The Act protects consumer's welfare and strengthens the efficiency of production and distribution of goods and services.

The Zambia Competition Commission (ZCC) was established under the Act, to guard against anti-competitive business/trade practices and protect the interest of the consumer. ZCC has handled a number of notifications for corporate mergers and acquisitions as well as consumer complaints.

Privatization

The privatization process has progressed well. So far, 264 of the 288 enterprises have been privatized. Tendering is the most frequently used procedure. Proceeds from sales of shares and assets are paid into a privatization revenue account held at the Bank of Zambia on behalf of the Ministry of Finance and National Planning.

Some of the major developments in the privatization process have been the sale of 49% shares in Zambia National Commercial Bank (ZANACO) and the concessioning of the operations of Zambia Railways which will run for a period of 20 years from 2nd December 2003

Some statutory bodies are undergoing a process of commercialization as opposed to outright privatization. These include Zambia Electricity Supply Corporation (ZESCO) which was commercialized in 2006 and Zambia Telecommunications Company Limited (ZAMTEL), whose commercialization options are under consideration. Other notable companies being considered for

future privatization include Zambia Postal Services Corporation (ZAMPOST), Zambia State Insurance Corporation (ZSIC) whose management is preparing for floatation, TAZARA and National Airports Corporation.

CHAPTER FOUR

TAXATION

TAX SYSTEM

The Ministry of Finance and National Planning is responsible for the formulation of tax policy, in Zambia and the implementing agency is the Zambia Revenue Authority (ZRA).

The legislative framework relating to the regulation and administration of the taxation is provided for in the Income Tax Act 1966, as amended. The source of income and residence are the basis for liability to tax under the Zambian tax regime.

The Income Tax Act requires every person (embracing every business entity, enterprise or individual) receiving income liable to tax under the Act to notify the ZRA, in writing, accordingly within thirty (30) days from the date of first receiving such income and the Act also provides for penalties for failure to give the necessary notice.

The tax year (charge year) runs from 1st April to 31st March of the following year. Taxpayers are generally expected to adopt the 31st March as the accounting date and ZRA's prior approval is required if the taxpayer proposes to adopt a different accounting date. Any change in the accounting date also requires prior approval from ZRA.

The ZRA requires that annual tax returns including accounts and supporting schedules are submitted on or before 30th September in respect of the tax year ended 31st March of the same calendar year. There are penalties for late submission of tax returns on or before the stipulated date.

The principal taxes include direct taxes (notably corporate tax, Pay-As-You-Earn, other personal income), Customs and Excise duties, Value Added Tax (VAT), property transfer tax and mineral royalty (Mines and Minerals Act 1995).

Corporate Tax

The Zambia Revenue Authority levies corporate tax at the rate of 35%. However, income from the agricultural sector and non-traditional exports (all exports except copper and cobalt) is levied at 15%, while companies listed on the Lusaka Stock Exchange are taxed at the rate of 33%. Banks with income in excess of K250 million are levied corporate tax at the rate of 40%.

Personal Income Tax

Personal income tax is levied in the range of 25-35 %. The maximum rate applicable to farmers is 15 %.

Employers are required to register and operate a Pay-As-you-Earn (PAYE) scheme under which they are required to deduct the appropriate tax from the emoluments of liable employees and remit the tax to the Zambia Revenue

Authority. The employer is under a legal obligation to deduct such tax and remit it to ZRA.

Emoluments paid or payable to an expatriate employee for work performed, carried out or for services rendered in respect of his employment in Zambia are liable to tax and should be subjected to deduction of PAYE, notwithstanding the fact that such emoluments are paid or payable outside Zambia or are paid or payable by a person who is resident outside Zambia.

Employers are further required to submit annual PAYE tax returns, at the end of every charge year, on a prescribed ZRA form.

Value Added Tax (VAT)

VAT is levied at 17.5 %. The rate will be reduced to 16%, with effect 1st April 2008. Some specified goods and services are zero-rated or exempt.

Registration for VAT purposes is mandatory for every dealer in or supplier of standard rated and zero-rated goods and services, as defined in the VAT Act No. 4 of 1995 (which replaced sales tax), whose taxable turnover exceeds K200 million per annum. Voluntary registration is acceptable for dealers whose turnover falls below the stipulated minimum turnover.

Registered suppliers or dealers are required to submit VAT returns monthly within 21 days of the prescribed accounting period unless they have been allowed the option for extended tax period. Late or failure to submit returns, including nil returns, attracts penalties.

Input VAT can be claimed within a period of three years from the date of the tax invoice or other documentary evidence. The period within which input VAT, incurred prior to the date of registration for VAT purposes, can be claimed is three months.

Double Taxation Agreements

Some eligible taxpayers find themselves liable to tax in more than one country or territory in respect of the same income. The predicament of international Double Taxation may adversely affect the international flow and mobility of human, financial and investment resources, thus the international community has devised a mechanism to prevent, eliminate or mitigate the incidence of Double Taxation.

The countries that Zambia has signed Double Taxation Agreements with include Canada, Denmark, Finland, France, Germany, Holland, India, Ireland, Italy, Japan, Kenya, Mauritius, Norway, Romania, South Africa, Sweden, Tanzania,

Uganda, United Kingdom, Yugoslavia and Zimbabwe. In principle, double taxation agreements enable offsetting tax paid in one of 2 countries against the tax payable in the other, in this way preventing double taxation.

INCOME, ROYALTY AND WITHHOLDING TAX

	COPPER AND COBALT	OTHER MINING	NON MINING	FARMING AND NON-TRADITIONAL EXPORTS	MINING COMPANIES WITH DEVELOPMENT AGREEMENTS
ROYALTY RATE	3% of gross value	gemstone 5% of gross value	n/a	n/a	
PROFIT TAX RATE	30%	35%	35% (40% for banks with profit above k200m)	15%	

WITHHOLDING TAX	15%	15%	15%	15%	0%
--------------------	-----	-----	-----	-----	----

CUSTOMS DUTY

There are three categories for import duties:

25%	mainly for finished products
15%	intermediate goods
0 – 5%	raw materials and capital goods

CHAPTER FIVE

REGISTRATION, LICENCES AND PERMITS

COMPANY FORMATION AND REGISTRATION

The Company's Act Cap 388 governs the registration of companies in Zambia. Registration is done at the Patents and Companies Registration Office. Any two or more persons can incorporate a company under the Company's Act. The persons will be required to submit the following documents:

- Application for name clearance, in order to avoid use of an existing or similar name

- Application for incorporate by subscribing the names of directors and secretaries of the company
- Articles of the company
- Statutory declaration as to compliance with the Company's Act
- Signed consent to act as director or secretary by each person named in the company's application
- Declaration of guarantee, if a company is limited by guarantee.

The minimum share capital of a company is K 5,000,000. The law requires that half the directors of the company be resident in Zambia.

All companies are required to submit annual returns with the Registrar of Companies within three months after the end of the financial year or one month after the Annual General Meeting if it is held within three months after the financial year.

The Company's Act allows foreign companies to register with the Registrar of Companies within 28 days of setting up or acquiring an established place of business. The documentation requirement may be obtained from the Office of the Registrar of Companies.

THE INVESTMENT LICENCE

The Zambia Development Act No. 11 of 2006 provides for investment incentives and investment guarantees.

Applications for an Investment License should be submitted to the Zambia Development Agency, a statutory body mandated by government to foster economic development through a whole-Zambia strategic view that will increase investment and trade levels across the whole country.

The major documents required to support an application for an Investment Certificate include the following documents:

- Copy of Certificate of Incorporation, issued by the Registrar of Companies
- Certificate of Share capital
- Official list of shareholders / directors
- Proof of finance (certificate of deposit at bank or latest bank statement)
- Detailed Business Plan
- Proof of having secured a place / land to operate from (Lease Agreements or Title Deed or Letter of Offer)

Applications for an Investment License in some sectors of the Economy require proof that application for subsidiary permits from relevant institutions or ministries have been lodged.

SECTOR LICENCES / PERMITS

ALL SECTORS

Self-employment permit

Immigration Headquarters are responsible for issuance of Self-Employment Permits to deserving foreign investors. An application for the permit should be supported by the following documents:

- Two passport-sized photos
- Bank statement
- Valid copy of the company's certificate of incorporation
- Copy of the Investment Certificate issued by the Zambia Development Agency

Employment permit

Immigration Headquarters, upon submission of the following documents, may issue employment permits:

- Certified copy of the applicant's highest education status and any other additional qualifications and certificate of employment from previous employers
- Letterhead from the prospective employer explaining steps taken to employ Zambian citizens to fill the vacancy

TOURISM SECTOR

Zambia Wildlife Authority Permit

Investment projects that have to be located in a Game Management Area will require a permit issued by the Zambia Wildlife Authority (ZAWA). Applications for the permit should be supported by the following documents:

- Project proposal
- List of Shareholders
- Information on promoters' business experience
- Recommendation letter from the District council

The District Council may issue a recommendation letter to ZAWA, upon submission of:

- Letter of intent
- Letter of Consent from the chief (Game Management Areas fall under traditional land which is under the jurisdiction of the local chief)
- Project proposal
- Building Drawings

Tourist Enterprise License

The Zambia National Tourist Board authorizes the establishment and licenses all tourist enterprise in Zambia under the Tourism Act, Cap 155 of the Laws of Zambia. A Tourist Enterprise includes the construction of an hotel or commercial accommodation establishment, a tour operating business, a travel agency, a camp site, restaurant or café, a discotheque or night club, a campsite, an air charter, a convention centre, and such other enterprise catering for tourists as the Minister may, by Statutory Instrument, declare.

The license may be issued upon submission of the following documents:

- Five year business plan
- Cashflow statement or proof of capital requirement
- Building and or architectural plans
- Letter from promoters' commercial bank
- Financial and personal information about the shareholders
- Curriculum vitae in respect of the shareholders
- Copy of the company's certificate of incorporation
- Memorandum and Articles of Association (for limited companies)
- Title deed or lease agreement
- Most recent audited accounts (for existing businesses)
- Environmental Impact Assessment or Project Brief (for small companies)
- No objection letter from ZAWA (for project locating in Game Management Areas or National Parks)
- Investment License issued by the Zambia Development Agency

Hotel Licence

The Ministry of Tourism through the Hotels Board may issue a hotel licence to the applicant upon submission of the following documents:

- Tourist Enterprise Licence
- Health permit and fire safety certificate from the local council
- Liquor licence from the local council

The furniture and equipment must be in place and the premises must pass final inspection from the Hotels Board

Mining Sector

The Ministry of Mines and Mineral Resources is responsible for the issuance of permits and licences relating to investment in the mining sector. The licences and permits issued include large scale mining, small scale mining, prospecting licence, prospecting permit, retention licence, gemstone licence, gemstone sales certificate, artisan's mining rights and the reconnaissance permit.

Applications for the above permits and licences must be supported by the following documents:

- Topographical maps of the area
- Certificate of incorporation and articles of association
- Photocopies of passports of directors and shareholders
- Bank statements and reference letters from applicants' bank
- Programme of operations and estimated costs
- Statement of mineral deposit in the mining area

The Financial Sector

The Bank of Zambia, as the Central Bank and an agency for executing government's monetary policy, is responsible for issuance of banking licences.

The applicants for a banking licence should meet the following requirements:

- Minimum capital of K12.5 billion for banks and K250 million for non-bank financial institutions
- Complete questionnaire for principal managers and directors
- Disclose any criminal record for all principal managers and directors
- Provide details about principal managers' experience in banking

The applicants will further be required to submit the following documents:

- Biographical data form
- Business plan with three year financial projections (Profit & Loss Account, Cashflow and Balance Sheet statements)
- Curriculum Vitae for all principal managers and shareholders
- Copy of the company's Certificate of Incorporation
- Copy of the company's Articles of Association

- Approval by the home country supervisors (usually another Central Bank), if the applicants are foreign registered financial institution.

The Transport Sector

Air Transport

The Department of Civil Aviation, which falls under the Ministry of Transport and Communications, is responsible for issuance of the Aircraft Licence. The following document will be required to support an application for the licence:

- Copy of type of certificate
- Certificate of technical data sheet
- Copy of current certificate of airworthiness
- Copy of the flight manual or equivalent
- Complete set of manufacturer's maintenance, overhaul and repair manual and an illustrated parts catalogue
- Complete set of manufacturer's service bulletin or equivalent documents relating to the airplane
- Copy of the crew operations manual
- Copy of the mass and balance manual
- Flight test reports for the avionics systems and the aircraft
- Electrical load analysis covering all services
- Complete set of wiring diagrams covering all radio and electrical installations
- Copy of the Master Minimum Equipment list

Road Transport

Road Service Licence

The Road Traffic Department may issue the road service licence upon submission of the motor-book, the company certificate of incorporation, the motor vehicle examiner's report and bank statement.

Energy Sector

Energy Licence

The Energy Regulations Board is responsible for issuance of licences in the energy sector. Applications for energy licences should be supported by the following documents:

- Five year business plan
- Current and latest audited financial statements
- Details of any expected subsequent substantial capital outflows including major decommissioning costs
- Estimates of net annual cashflows

Health Sector

Certificate

Investors in the health sector are required to obtain a certificate from the Medical Council of Zambia (MCZ). Applications for the certificate should be supported by the following documents:

- Certificate of incorporation
- List of Directors
- Qualifications of paramedical and logistical staff who should be registered and having practicing licence with MCZ.

The MCZ would inspect the premises, equipment and protective wear prior to issuance of the certificate.

Education Sector

Certificate

Potential investors in the education sector are required to obtain a certificate from the Ministry of Education. The supporting documents for the certificate include the certificate of incorporation and qualifications of the teaching staff. The Ministry of education officials would inspect the building premises and the teaching facilities prior to issuance of the certificate.

Telecommunications Sector

Radio or Telecommunications Licence

The Communications Authority of Zambia, which falls under the Ministry of Transport and Communications, is responsible for issuance of the above licences. Applications for the licences should be supported by the following documents:

- Certificate of Incorporation
- Business Plan
- Detailed description of the nature of the service, if not indicated in the business plan
- Audited Accounts
- Return on allotment shares
- Bank reference letter

Other Sector Permits and licences

The Project Brief and Environmental Impact Statement

Most projects in all sectors other than the service sector require authorization from the Environmental Council of Zambia (ECZ). It is a requirement under the Environmental Protection and Pollution Control Act (EPPCA) Cap 204 of the Laws of Zambia that before a project is undertaken, an Environmental Project Brief (EPB) or an Environmental Impact Statement (EIS) is submitted to ECZ to ascertain its impacts on the environment. A Decision Letter will be issued by the ECZ when they are satisfied that the project will have no negative environmental impact.

Title Deed

Lands Department is responsible for issuance of Title Deeds upon submission of either an Investment License issued by the Zambia Development Agency or the following documents:

- Certificate of Incorporation
- Land sketch
- Letter of consent from the chief
- Recommendation letter from the local council

Whole Sale, Manufacturer's and Agents' Licence

Upon submission of the Certificate of Incorporation, the local council would issue the above licences.

Forest Concession Licence

The following documents are required to support an application for the above licence:

- Letter of consent from the local chief
- Letter of consent from the local council

- Letter of recommendation from the respective Principal Extension Officer
- Company's Certificate of Incorporation
- Map of the area of operation
- Plan of operation
- Bank statement to prove that the applicants have more than K 10 million

The applicants must be able to pay for a minimum of 200 to 600 trees and prove possession of adequate machines and equipment.

The applicable fees relating to the various permits and licences may be obtained from either the Zambia Development Agency or the respective issuing ministries or institutions.

CHAPTER SIX

LABOUR CONSIDERATIONS

LABOUR AVAILABILITY

Zambia has abundant reserves of unemployed labour force comprising both skilled and unskilled personnel. Unemployment levels are higher in urban than rural areas.

Government's liberalised economic policies, since 1991, necessitated restructuring of both the public and parastatal (quasi-government) sectors leading to massive redundancies of both skilled and unskilled labour force.

Rationalisation arising from stiff competition in both the private and parastatal sectors led to liquidation and receiverships, which further resulted in mass layoffs of the labour force.

The high level of graduate turnout from the country's high schools, colleges and universities has not matched employment generation opportunities from private

and public sector investment. The availability of both skilled and unskilled labour thus exceeds available employment opportunities.

WORK PERMITS FOR EXPATRIATE LABOUR

Employers seeking to employ expatriate staff are required to apply for work permits from Immigration Headquarters. Such permits are usually issued for an initial period of one year with provision for subsequent extensions or renewals.

Companies that hold an Investment Licence and invest a minimum of US\$ 250,000 and employs a minimum of 200 employees shall be entitled to self-employment permit for up to five expatriate employees.

The fees relating to work permits are indicated below:

Employment/Work Permit		Self Employment Permit	
Issuance	K2,000,000	Issuance	K1,500,000
Renewal	K2,500,000	Renewal	K2,000,000
Replacement	K2,000,000	Variation	K2,000,000
Addition of name to permit	K500,000	Replacement	K2,000,000
Occupation Change	K1,000,000		

Payments for the above fees must be made by bank certified cheques and made payable to the Chief Immigration Officer. Cash payments are not acceptable.

LABOUR RELATIONS AND REGULATIONS

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

The Employment Act Cap 268

The Act is the basic employment law and provides for the basic employment contractual terms such as:

- minimum contractual age
- establishment of employment contracts
- settlement of disputes arising from such contracts of employment
- the appointment of Labour Officers and other staff for the administration of the Act

- certain conditions of employment such as ordinary leave, sick leave, maternity, redundancy and welfare of employees

The Industrial and Labour Relations Act Cap 269

The Act provides for:

- the conduct of industrial relations
- the establishment of workers/employers organisations, their registration and administration
- collective bargaining
- Settlement of dispute through conciliation and arbitration by the Industrial Relations Court, established under the Act.
- Consultative Machinery

The Zambia Federation of Employers (ZFE), an umbrella organisation for employers, articulates the interest of employers. ZFE is represented at the Tripartite Labour Consultative Council, a body comprising the representatives from Ministry of Labour and Social Security and the unions (through an umbrella body, the Zambia Congress of Trade Unions - ZCTU).

The Minimum Wages and Conditions of Employment Act Cap 276

This Act enables 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.

Employment of Young Persons and Children Act Cap 274

The Act provides protection for young persons and children in the employment relationship. It is the major law against child labour and abuse.

Employment (Special Provisions) Act Cap 270

This 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.

The above-mentioned Acts may be purchased from Government Printers.

WORKING CONDITIONS

Basic Salaries, Wages and Allowances

There are normally two categories of employees namely the unionised and non-unionised (management) staff. Conditions of service for non-unionised employees are normally fixed by top management, while those for unionised employees are negotiated through collective bargain / agreement. As indicated above the Minimum Wage and Conditions of Work Act provides for machinery 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.

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

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

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
- Sporting and recreation facilities

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 Pensions Scheme Authority (NAPSA). Employers may establish or join other pension schemes under the Pension Scheme Regulation Act.

Insurance companies that offer pension schemes include:

- The Zambia State Insurance Corporation
- Madison Insurance
- Professional Insurance

Life insurance is normally the responsibility of individual persons.

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 give 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 twenty four months with their employers.

Housing

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

- Housing or housing allowance in lieu thereof
- House loan or advance towards the purchase or construction of a house
- Guarantee facility for a mortgage

Working Hours

The normal working hours is 40 hours per week for office workers and 45 hours per week for factory workers. Office hours are normally from 08:00 hours to 17:00 hours Mondays through Fridays and 08:00 hours to 13:00 hours on Saturdays (for most companies outside the retail sector).

The normal weekly hours should not exceed 48 hours under the Minimum Wages and Conditions of Employment Act. Overtime work should be paid at one and half times the normal rate and twice the normal rate on weekends and public holidays.

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.

Special Leave

Employers are obliged, under the Minimum Wages and Conditions of Employment Act, to grant an employee 7 days' paid leave on the death of an employee's spouse, child, mother or father. The Act also obliges the employer to provide for a funeral grant for a standard coffin, cash and mealie meal in the event of death of an employee, spouse registered child or dependant of the employee.

Termination of Employment

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

- Resignation or Dismissal
- Normal retirement or medical discharge
- Expiry of contract
- Redundancy
- 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 Organisation Convention. The 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 redundant benefits are paid.

Redundancy Benefits

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

Equal Opportunities

The Zambian law and practice prohibits discrimination on the basis of race, tribe, political opinion, colour, creed or sex.

CHAPTER SEVEN

LAND

LAND AVAILABILITY

A new Land Act No. 29 of 1995 came into force on 23rd September 1995.

DISTINCTIONS IN LAND

There are two categories of Land in Zambia: These are:

- State Land

State Land comprises only 6% of land in Zambia. The land is zoned into residential, commercial or industrial use by the District Councils according to their jurisdictions.

- Customary land
Approximately 94% of all land in Zambia is held under this system of tenure. Such land falls under the jurisdiction of the traditional Chiefs.

SYSTEMS OF TENURE

- There are only two types of tenure in Zambia. These are leasehold and customary tenure. Zambia has no freehold system of tenure
- The leasehold tenure runs for 99 years and is renewable for further 99 years. Further renewal 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 a value and can be sold even without improvement on the land.

LAND ACQUISITION AND TRANSFER

ACQUISITION OF LAND BY NON-ZAMBIANS

A non-Zambian can acquire land under following conditions;

- He/She is a permanent resident in Zambia
- He/She is an investor within the meaning of the Zambia Development Agency Act or any other law permitting investment in Zambia
- In exceptional cases by Presidential consent in writing
- A person registers a company under the Companies Act, with no less than 75% Zambian shareholding. Title Deed will be issued in the name of the registered company.
- Under a short term tenancy of not more than 5 years
- If the person is granted concession or right – under the National Parks and Wildlife Act.

PROCEDURES

Before a land can be bought or sold 'State Consent' must be obtained. 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

ACQUISITION OF LAND IN A CUSTOMARY AREA

In order to acquire land in customary area one will require;

- The written consent of the area Chief
- Approval of District Council in the area
- Additional approval from the Director of National Parks and Wildlife, if the land is situated in Game Management Area.

These approvals once obtained should be submitted to the relevant District Council, which in turn will submit the documents to the Commissioner of Lands. The Commissioner will then make formal offer to the applicant.

The letter of offer will stipulate among other conditions:

- 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.

- Survey Requirements

This can be carried out by private or governmental Surveyor. Submission of a legal diagram or plan attached to the lease agreement is a mandatory requirement prior to issuance of Certificate of Title.

- Preparation Fee

The office of Commissioner of Lands charges fees for preparation of lease. These fees are fixed by statutory instrument, but are subject to change.

- Registration Fee

Fees charged by the Lands and Deeds Registry before lease is registered and certificate of title issued.

- Property Transfer Tax

Under the Property Transfer Tax Act, if land is purchased from a private person then currently 2.5% of the value of land is paid to the Zambia Revenue Authority by the vendor. 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 than the process can take up to 3 months or more.

ALIENATION OF STATE LAND

Acquisition of land in an area designated as State Land will require consent of relevant District Council. Land, which does not fall within the jurisdiction of any council, can be alienated upon direct application to the Commissioner of Lands.

The Commissioner of Lands will then make a formal offer to the applicant, which will contain similar conditions to those obtaining in the offer made for an application of land situate in the Customary 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

LANDS TRIBUNAL

The Land 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. Decision of the Tribunal is subject to appeal to the Supreme Court within 30 days of the decision.

COMMON LEASEHOLD SCHEMES ACT OF 1994 – DEVELOPMENT OF MULTIPLE UNITS

Under this scheme it is now possible to purchase a unit in a block or blocks of flats, offices and any other multiple developments.

The Act also provides for phased development to enable the developer dispose of units in each phase to release money for developing other phases

INFORMATION ON LAND AVAILABILITY

- Offices of the Commissioner of Lands which are in all provinces
- Council and Commissioner of Lands advertisements in national press

- Real Estate Agents
- Zambia Development Agency in liaison with Ministry of Lands
- Direct contact with Chief and District Council

All investors are advised to contact the Zambia Development Agency for further inquiries or directly contact:

*The Commissioner of Lands
Independence Avenue
P. O. Box. 30069
Lusaka. Zambia
Tel / Fax: + 260 1 250130*

CHAPTER EIGHT

GROWTH SECTORS FOR INVESTMENT

ZAMBIA'S ECONOMIC POTENTIAL

Zambia is endowed with abundance of natural resources – Minerals, Arable Land, Rivers, Forests, Waterfalls, Lakes and Wildlife – and with the country sufficiently underdeveloped it offers potential and profitable openings for investors. With total surface area of about 752,600 square km and mean altitude rising around 1200m above sea level, Zambia enjoys sub-tropical vegetation and climatic conditions.

With high literacy rate for adults – approximately 83.5% for Males and 65.5% for Females- as well as two Universities and diverse institutions of higher learning, both skilled and semi-skilled workers, trained professionals and technicians are available at very competitive rates. Its central geographical location within South Central Africa with common borders to eight countries in the region provides excellent export market opportunities to potential enterprises.

Zambia has abundance of electric power and is a net exporter in the region. Though landlocked its Road, Rail and Telecommunication facilities are reasonably well developed for direct access to regional and international markets.

Zambia's active participation in the SADC Trade Protocol as well as the COMESA/FTA offers preferential tariff access to total market potential of nearly 380 million people. Similarly, with advent of Africa Growth and Opportunity Act (AGOA) duty free access to the huge USA market has become a reality. Zambia is also a signatory to the Cotonou Agreement, which aims to achieve free trade arrangements between the EU and the ACP countries.

SECTOR OPPORTUNITIES

Prime growth sectors for investment are Manufacturing, Agriculture and Agro-processing, Tourism, Energy, Mining. Others offering fresh investment opportunities are Infrastructure Development, Commercial Buildings, Transportation, Human Resource Development, Media, Telecommunication and IT Services.

MANUFACTURING

Manufacturing sector accounts for about 13.7% of the country's GDP and has been consistently growing. However, the sector needs diversification to produce wide variety of high quality value added intermediate and final products principally for the export markets. Engineering, Textiles, Wood & Wood Products, Building Materials, Processed Foods, Chemicals, Leather and Leather Products and Handicrafts offer potential opportunities.

AGRICULTURE

Zambia has vast agricultural resource endowment. Arable land is plentiful for large-scale modern farming. Government has allocated vast tracks of land near rail and road networks for prospective investors and electrification of these blocks is on-going. Surface and underground water is in abundance.

Climatic conditions are ideally suited for wide variety of exportable crops including horticulture and floriculture. Agro-processing of wheat, soyabean, cotton, tobacco, spices, sugar and vegetables is encouraged to add value to local produce. Special incentives are offered to commercial and small holder farmers.

MINING

Zambia has enormous reserves of Copper-Cobalt ore and the country is the fourth largest producer of copper metal. Gold, Nickel, Lead-Zinc, Iron and

Manganese are also mined. In addition Zambia is endowed with very high quality of Gemstones – Emerald, Amethyst, Aquamarine, Rubies, Garnets, and Diamonds – which are still unexploited. With the privatization of the mining sector, potential opportunities have become very attractive.

TOURISM

Potential of Zambia as one-stop destination offers excellent prospects for advancement of this highly under-developed sector. With 19 National Parks, 23 Game Management Areas, largest Water Fall in the world, and 23 million hectares devoted to the conservation of spectacular variety of animals, the scope for a integrated quality tourism related investment is very attractive. Wildlife such as Elephant, Leopard, Lion, Cheetah, Rhinoceros, Zebra, Giraffe, Hippopotamus, Crocodile, Buffalo, Impala, Antelope, Baboon and host of smaller creatures as well as over 700 species of Birds can be seen. Opportunities to promote adventure holidays -white-water rafting, canoeing, rock-climbing, hand-gliding, fishing, bungi-jumping at Victoria Falls including its unique walking safaris offer excellent tourism potential.

ENERGY

Zambia has abundance of energy resource. The most important source of energy is electricity, which is generated by three major hydroelectric power stations with installed capacity of 1608 MW.

With the liberalization of the economy, Government has amended legislation affecting generation, transmission, distribution and supply of electricity thus allowing private sector entry. Potential opportunities identified are Kafue Gorge Lower HydroElectric Project, Itezhi-tezhi HydroElectric Project, Zambia-Tanzania Interconnector and Zambia-Namibia Interconnector. Exploration potential for hydrocarbons (oil and gas) is one area that has not been tapped fully – hydrocarbon source rocks are proven and are preserved in all basinal areas of Zambia. Government welcomes active participation from prospective investors with modern technological expertise.

OTHERS

Development, improvement and modernization of Zambia's Road Transport, Railway, Inland Waterway Transport and Telecommunication network as well as Commercial properties to meet high quality international business and consumer requirements are areas that should offer profitable opportunities for both domestic and foreign entrepreneurs to pursue. Knowledge-based business institutions to improve and enhance the quality and diversity of Zambian and Regional workforce and management to achieve international standards also offers exciting investment opportunities. Similarly, private sector enterprises with

expertise in environmental protection and natural resource management capacity building and training would find Zambia an attractive location to invest to meet both domestic and regional market potentials.

CHAPTER NINE

LIVING IN ZAMBIA

BACKGROUND, GEOGRAPHY AND CLIMATE

Zambia lies north of the Zambezi River in south central Africa. It is entirely landlocked and borders Angola, Botswana, D R of Congo, Namibia, Malawi, Mozambique, Tanzania and Zimbabwe. Most of Zambia consists of high plateau varying between 1000 and 1600 meters above sea-level. There are three seasons: winter, from May to August (cool and dry) with temperatures ranging from 6 to 26 Celsius; during September and October, when it is hot and humid though dry and rainy season from November to April, temperatures range from 26 to 35 Celsius. Zambia is a typical savanna country with some of the most beautiful Mopane woodland. The main rivers that run through the country are Zambezi to the south and west, the Kafue in Central and Copperbelt, the Luapula in the north and the Laungwa in the east

English is the official language; the principal African languages are Nyanja, Bemba, Tonga, Lozi, Lunda, Luvale and Kaonde. Christians make up 80% of the population with the rest Moslem, Hindu or traditional African beliefs. The administration of the country is divided into 9 Administrative Provinces; Lusaka, Copperbelt, Central, Northern, North-Western; Eastern, Western, Southern and Luapula.

HOUSING

Availability of suitable expatriate accommodation is good in most urban areas. Standard accommodation is a 3-bedroomed, mostly unfurnished detached house standing in its own plot, often with a swimming pool and full security provisions. Full range of furniture is available from local suppliers and it is also possible to have it made to order from quality Zambian wood at reasonable cost. Furnished properties can be found including opportunity to rent a flat. New arrivals are recommended to contact reputable Estate Agents/Realtors, who are listed in

Yellow Pages as well as in a monthly publication called the LOWDOWN or in Daily Newspapers.

TRAVEL AND VEHICLES

Zambia has no national airline but is served by a number of airlines that connect to international routes via Johannesburg, Nairobi and Dar-Es-Salaam from Lusaka International Airport, which is approximately 20kms from the town Centre.

All personal effects imported within 6 months of arrival are free of Zambian import duty. Air freighting is recommended. It is advised that on arrival, foreigners register with their respective High Commission/Embassy. Bring certified copies of your marriage and birth certificates as well as good supply of passport photographs.

A motor vehicle is essential. Driving is on the left, so a right-hand drive vehicle is required. For game viewing and going into the bush, a 4-wheel drive vehicle is ideal. There are local agents for Honda, Peugeot, Toyota, Land Rover, Nissan and Mitsubishi. There are several local companies who will arrange for purchase of a vehicle from Botswana or South Africa either new or second-hand. For vehicles purchased new overseas for dispatch to Zambia, a certified invoice-available from Zambian High Commission/Embassy- must be completed by the vendor and sent with the shipping documents. All expatriates must obtain a Zambian driving licence and can only drive on an international licence for first 3 months.

HEALTH

The high plateau is a fairly healthy place to live. People going to Lusaka (4200 feet above sea level) may feel tired during their first few weeks because of altitude. Malaria is endemic and you will be advised as to what prophylactic measures should be taken. It is most numerous in the rainy season.

Swimming and paddling in all watercourses, dams and lakes should be avoided. Pets should be inoculated against rabies. Hepatitis is not uncommon. Drinking water should be boiled or treated with chlorine, which is readily available in most retail outlets.

There are good privately run Clinics in Lusaka and the Copperbelt. Insurance cover for emergency evacuation scheme should be taken out. There are several good Dentists in Lusaka.

EDUCATION

The State educational system is Zambian oriented and therefore, in practice expatriate parents must look for private schooling for their children. There is reasonably satisfactory private infant, primary and secondary schooling in Lusaka. The schools used at present by international community are:

- The American International School. The school draws on several sources for curriculum standards, including U S, U K and International Baccalaureate.
- Lusaka International Community School. Another "international" school to prepare children into their respective national school system.
- The International School. It takes children through all stages of infant, primary and secondary education through IGCSE to the International Baccalaureate.
- The Baobab School. This school runs on the South African schedule and has expanded to include secondary pupils up to GCSE level.

There are two Universities in Zambia, one in Lusaka and another in the Copperbelt town of Kitwe. Also, there are nursery schools for children between 2½ to 6 years, which are mostly privately run and have a good reputation.

CLOTHING

For business/office formal attire is the norm-ties and/or jackets or suits. 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 tee 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 Lounge Suit 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 are well provided with shops selling clothing, 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. During rainy season raincoats and umbrellas are quite useful.

SHOPPING

The cost of living in Zambia is lower than most developed countries and though some imported goods, such as electrical or spare parts can be more expensive but are readily available in urban areas. There are a good variety of foodstuffs available from well-stocked supermarkets and mini-markets. Meat, chicken and eggs are of excellent quality, plentiful and reasonably priced. A wide variety of both local and imported fresh fruits as well as fresh vegetables are plentiful. Beers, wines and spirits are easily available. Chemists, stationers and bookshops are well stocked. There are excellent bakeries and patisseries.

LEISURE ACTIVITIES

Activities such as keep-fit, aerobic, weight training, golf, tennis, swimming training, bowls, squash, rugby, horse riding and polo are available in 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. There is British Council and Alliance Francais in Lusaka.

Zambia has ample opportunity for camping and the scenery is beautiful. Also there are great opportunities for fishing. Weekend breaks are possible at safari lodges outside Lusaka or Kafue National Park or Lake Kariba.

The world famous Victoria Falls and the connecting gorges provide best white-water rafting in the world as well as access to highest commercial bungi-jump in the world. Zambia also has a unique distinction to provide best walking safaris.

MONEY AND BANKS

The currency is the Zambian Kwacha. The highest denomination bank note is K50,000. Major credit cards are accepted in urban areas. Travellers Cheques and hard currency bank notes can be cashed at banks, large hotels or bureau de change (proof of purchase of TCs is prerequisite to cashing at these outlets).

There are currently 13 commercial banks operating in Zambia. These include African Banking Corporation, Bank of China, Barclays Bank Zambia Limited, Cavmont Capital Bank, Citibank, Finance Bank, First Alliance Bank, Indo-Zambia Bank, Intermarket Banking Corporation, Investrust, Standard Chartered Bank Zambia Limited, Stanbic Bank Limited and Zambia National Commercial Bank PLC.

RE-ENTRY REQUIREMENTS

All resident expatriates must obtain Re-Entry Permit prior to going out of Zambia. The said permit can be obtained from the immigration office on Cairo Road and will be valid for 90 days.

GENERAL

The main electricity supply in Zambia is 220 volts AC50 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.

Zambia TV runs on PAL B/G on channels 10 and 20 VHF; there are four channels. However, multi-channel satellite TV is available on monthly subscription basis. There are video rental outlets and the British Council provides a video film rental service. Nearly all cater for VHS video machines. It is worthwhile to bring a good short-wave radio.

Domestic staff and gardeners are plentiful and the cooks are scarce. Zambia is 2 hours ahead of GMT. International telephone calls to and from Zambia are reliable with direct dialing (on request with special deposit) available. The international code for Zambia is +260 and the major city codes include: Lusaka +1; Ndola and Kitwe +2; Livingstone +3.

APPENDIX 1

SELECTED ECONOMIC INDICATORS

	2002	2003	2004	2005	2006
Inflation (%) (end of period)	26.7	17.2	17.5	15.9	8.2
Exchange rate (K per US\$)	4,307	4,715	4,782	4,516	3,603
Interest rate (%)	50.0	48.3	38.2	35.0	29.4
GDP at Market Prices (K'bn)	2,702.0	2,846.3	2,999.2	3,155.9	3,337.6
GDP growth rate (%)	3.0	5.1	5.4	5.2	5.9
GDP per capita (K)	254,894	257,398	269,518	284,363	300,973
Sectoral Contribution to GDP (%):					
Agriculture	15.2	15.2	15.0	14.7	13.7
Manufacturing	10.7	10.9	10.9	10.7	10.4
Mining	7.9	7.7	8.4	8.2	9.1
Tourism	2.3	2.4	2.4	2.5	2.6

Construction	6.0	6.9	7.9	9.0	9.6
--------------	-----	-----	-----	-----	-----

Source: Bank of Zambia, Ministry of Finance and National Planning, and Central Statistical Office

APPENDIX 2

GDP BY KIND OF ECONOMIC ACTIVITY @ constant 1994 prices (K billion)

Kind of Economic Activity	2000	2001	2002	2003	2004	2005	2006
Agriculture, Forestry and Fishing	17.2	16.0	15.2	15.2	15.0	14.7	13.7
Agriculture	8.5	7.6	6.9	7.1	7.2	7.0	6.4
Forestry	5.4	5.4	5.4	5.4	5.3	5.3	5.0
Fishing	3.3	3.3	2.9	2.7	2.6	2.4	2.3
Mining and Quarrying	6.4	7.0	7.9	7.7	8.4	8.2	9.1
Metal Mining	6.2	6.8	7.7	7.6	8.2	7.9	8.9
Other Mining and Quarrying	0.2	0.2	0.1	0.1	0.2	0.3	0.2
Manufacturing	10.5	10.4	10.7	10.9	10.9	10.7	10.4
Food and Beverages and Tobacco	6.2	6.3	6.4	6.6	6.6	6.6	6.5

Textile, and Leather Industries	1.8	1.8	1.8	1.8	1.7	1.5	1.4
Wood and Wood products	0.8	0.8	0.8	0.9	0.8	0.9	0.8
Paper and Paper products	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Chemicals, rubber and plastic products	0.9	0.9	0.9	0.9	1.0	1.0	0.9
Non-metallic mineral products	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Basic metal products	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Fabricated metal products	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Electricity, Gas and Water	2.9	3.1	2.9	2.7	2.6	2.6	2.7
Construction	4.9	5.3	6.0	6.9	7.9	9.0	9.6
Wholesale and Retail Trade	18.3	18.4	18.7	18.8	18.8	18.9	17.9
Restaurants, Bars and Hotels	1.9	2.3	2.3	2.4	2.4	2.5	2.6
Transport, Storage and Communications	6.3	6.2	6.1	6.1	6.1	6.3	6.9
Financial Intermediaries and Insurance	8.2	7.8	7.9	7.7	7.6	7.5	7.3
Real Estate and Business Services	9.5	9.4	9.5	9.4	9.3	9.2	8.9
Community, Social and Personal Services	7.7	7.8	7.7	7.4	7.1	7.0	7.9
Public admin & Defence/public sanitary	4.4	4.2	4.0	3.9	3.7	3.5	3.7
Education	2.0	2.2	2.3	2.2	2.1	2.2	2.8
Health	0.5	0.6	0.5	0.5	0.5	0.5	0.4
Recreation, religious, culture	0.3	0.3	0.3	0.3	0.3	0.3	0.5
Personal services	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Taxes on Products	10.9	11.1	10.0	9.3	8.5	7.8	7.3
Total G.D.P At MARKET PRICES (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total G.D.P At Constant PRICES	2,499.0	2,621.3	2,707.9	2,846.5	2,999.2	3,155.9	3,343.3
Real Growth Rates	3.6	4.9	3.3	5.1	5.4	5.2	5.9

Source: CSO, Ministry of Finance & National Planning

APPENDIX 3

SOME USEFUL CONTACT ADDRESSES

GOVERNMENT AGENCIES

Zambia Development Agency
P O Box 30819

BUSINESS ASSOCIATIONS

Zambia Association of Manufacturers
P.O. Box 31992.

Lusaka
Tel: +260 211220177/223859 Fax: +260 211
225270
E-mail: zda@zda.org.zm
Website: www.zda.org.zm

Zambia National Tourist Board
P.O. Box 30017
Lusaka
Tel: +260 211 222714 Fax: +260 211
225174
E-mail: zntb@zamnet.zm

Zambia Revenue Authority
P.O. Box 35710
Lusaka
Tel: +260 211 223754/ 229214-8

Lusaka Stock Exchange
P.O. Box 34523
Lusaka
Tel: +260 211 228537/ 228391 Fax: 225969
E-mail: luse@zamnet.zm

CONSULTING FIRMS

Grant Thornton Associates
P O Box 30885
Lusaka 10101
Tel: +260 211 22 77 22

KPMG
Box 31014
Lusaka
Tel: +260 211 228874/ 8Fax: +260 211 22 28
61

Deloitte & Touche
P O Box 30030
Lusaka
Tel: +260 211 228677/9 Fax: +260 211
226915

Lusaka
Tel: +260 211 229364/ 222709 Fax: +260 211
229371
E-mail: shyams@zamnet.zm

Zambia Export Growers Association
P.O. Box 31705
Lusaka
Tel: +260 211 221895 Fax: +260 211 221895
E-mail: zeqa@zamnet.zm

Zambia Association of Chambers of Commerce &
Industry
P.O. Box 30844
Lusaka
Tel: +260 211 252369 Fax: +260 211 252483
E-mail: zacci@zamnet.zm

Zambia National Farmers Union
P.O. Box 30395
Lusaka
Tel: +260 211 223222 Fax: 222736
E-mail: znfu@zamnet.zm

LAW FIRMS

MNB Legal Practitioners
P.O. Box 34207
Lusaka
Tel: +260 211 236 921 Fax: +260 211 236134

Lukona Chambers Advocates
P.O. Box 31160
Lusaka
Telephone: +260 211 254748 Fax: +260 211
253166

Permanent Chambers
P.O. Box 35702
Lusaka
Tel: +260 211 225884 Fax: +260 211 225049

Chibesakunda & Company

Price Waterhouse Coopers
P O Box 30942
Lusaka 10101
Tel: +260 211 8889 Fax: +260 211 22 07 68

P O Box 30279
LUSAKA
Telephone: +260 211 236319 Fax: +260 211
236478