

### 3. ATTITUDE OF WELCOME



*Not only the investment environment but Zambia's magnificent Victoria Falls welcomes you*

“

*Foreign investment has risen from 255 million dollars in 2003 to over 4.25 billion dollars for 2008. We are tackling corruption head on, and will continue to do so. We must because corruption saps investor confidence. We will continue to build a strong Zambia. Our economic policies have made us one of the most stable countries on the African continent. With this stability we have seen record levels of foreign investment that have modernized our industries and made our farmers more productive. We will continue to welcome foreign investors to Zambia.*

”

**HE Mr. Rupiah B. Banda – President of the Republic of Zambia**  
*Presidential Inaugural Speech on the 2<sup>nd</sup> of November 2008*

The Government of Zambia in seeing the dynamic growth of many Asian nations driven by domestic and foreign direct investments, seeks to emulate the success of the Asian tiger economies, it also seeks to maintain links with traditional Western trading and investing partners.

Thus, in understanding the need to attract Foreign Direct Investments, the Zambia Development Agency, as an Investment Promotion Agency, has embarked on several programmes such as the “Triangle of Hope: Strategic Action Initiative for Economic Development” which is being supported by the Japanese Government through JICA (Japanese International Cooperation Agency), and the Public Sector Development (PSD) Programme which is being supported by several cooperating partners.

The Government of the Republic of Zambia in conjunction with JICA has developed a Business, Trade and Investment initiative to serve as a stimulus for the promotion of domestic and foreign business, trade and direct investments from Asia into Zambia.

*“Lately, the search has often led them to countries benefiting from the current commodities boom. Zambia, a major copper producer, is one example, though debt forgiveness and growing confidence in the Government’s management of the economy have also helped to attract foreign money”.*

**Financial Times 2006**

In this context, every effort has been made to ensure that Government policies and administrative environment are investor friendly.

The country’s central location in the region as well as combination of following key strengths makes it a unique place to invest:

- 🌸 Abundance of natural resources and manpower which are highly under-utilized.
- 🌸 Abolition of controls on prices, interest rate, foreign exchange transactions
- 🌸 Free repatriation of earnings and repayments
- 🌸 Guarantees and security to investors with statutory rights to full and fair compensation
- 🌸 Duty free access to regional markets (SADC, COMESA), wider African and to the USA markets under AGOA (African Growth and Opportunity Act)
- 🌸 Banking, financial, legal and insurance services of international standard as well as a Stock Exchange
- 🌸 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 enterprising culture.

## Visa Applications

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.**  
Tel: + 260 211 252650  
Fax: +252008 / 254393

Alternatively visas may be obtained from any Zambian High Commission and Embassies in Asia

### **1. Embassy of the Republic Of Zambia**

10-2, Ebara 1-Chone, Shinagawa-Ku  
C.P.O. Box 1738  
**Tokyo** 142-0063  
**JAPAN**  
Tel: [03] 3491-0121 / [03] 3491-0122  
Fax: [03] 3491-0123  
Email: emb@zambia.org.jp

**2. Embassy of the Republic of Zambia**

Dongsijle,

San Li Un

**Beijing**, 100600**CHINA**

Tel: 008610-65321544/65321778

Fax: 008610-65321891

Email: diplomat@zambiaembassychina.cn

**3. Zambian High Commission**

E-86 Paschimi Marg Vasant Vihar

**New Dehli** 110057**INDIA**

Tel: 26145883 or 26145785

Fax: 26145764

Email: zambiand@sify.com

**4. Zambia High Commission**Menara MBf, 5<sup>th</sup> Floor

Jalan Sultan Ismail

**Kuala Lumpur****MALAYSIA**

Tel: 0060173381056

Fax: 0060321453521

If the purpose of your visit is **BUSINESS**, the following guidelines apply:

Consultants and other experts that are entering Zambia to conduct business with an organization in Zambia can obtain a visa at the port of entry. A “business” visitor must produce an invitation letter from the inviting institution, and a letter approving the issue of the visa at port of entry from the Immigration Department. Arrangements for such a letter can be obtained by the business or organisation that the business visitor will be meeting with in Zambia. Business visits by a single individual cannot exceed 30 days in a 12 month period.

**VISA on Entry**

Those seeking to do business from outside Zambia, and are in direct contact with ZDA (which shall be aware of genuine project interest) can obtain a visa at the point of entry by requesting ZDA to make application on their behalf and must send a scanned copy of their passport showing picture and details of passport holder. It is also possible to obtain a visa at Zambia’s entry points for some specified foreign country nationals (e.g. UK, 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.

**No VISA Required for nationals from:**

Antigua & Bermuda, Kiribati, Seychelles, The Bahamas, Lesotho, Singapore, Barbados, Malawi, Solomon Islands, Belize, Maldives, South Africa, Botswana, Malta, Swaziland, Brunei, Darussalam, Mauritius, Cyprus, Mozambique, Tanzania, Dominica, Namibia, Tonga, Fiji, Nauru, Trinidad & Tobago, Grenada, Romania, Tuvalu, Guyana, Malaysia, St. Kitts and Nevis, Uganda, Ireland, St. Lucia, Vanuatu, Jamaica, St Vincent & Grenadines, Zimbabwe, Kenya and Samoa.

**Setting Up a Business in Zambia**

All businesses engaging in both domestic and/or international trade are required by law to be registered with the Patents and Companies Registration Office (PACRO), an agency of the Ministry of Commerce, Trade and Industry.

Registration is either by:

- 🌸 Business name
- 🌸 Public or private company (therefore being incorporated in Zambia) or
- 🌸 Foreign company

The basic requirements a foreign investor must meet to form a company in Zambia are:

- a) Select the name of the proposed company, and have alternative names in case the first choice is not available.
- b) Select the directors
- c) Select the company secretary
- d) Select the registered office
- e) Select the accounting reference
- f) Decide on what would be the authorised share capital
- g) Decide in what would be the purpose of the company
- h) Decide whether they would need to enter into a shareholders agreement
- i) Decide on the articles of association.

The minimum capital required to register a public or private company is K 5 million (USD 1,000). Registration fees (inclusive of name search, forms, processing of application forms) are as follows:

- 🌸 K85,000 (USD 17) for registration of a business name
- 🌸 K245,000 (USD 49) minimum for registering a company (depending on share capital the fee increases by K 5,000 (USD 1) increment for each additional K 200,000 (USD 40) of share capital)
- 🌸 K585,000 (USD 117) for a foreign company

A foreign investor can register either a public company or a private company which maybe private limited by shares, or companies limited by guarantee or unlimited companies.

However, should a foreign registered company desire, it may register as such in Zambia by lodging an application for this, and the application must be accompanied by:

- a) A certified copy of the charter, statues, regulations, memorandum of and articles of association or other instrument consulting or defining the constitution of the company
- b) In relation to each documentary agent and local director, a statement signed by that person accepting appointment of such
- c) A statement regarding property acquired in Zambia by the company.

Registration fees for a foreign company are as follows:

- a) Registration of a certified copy of the charter, statues, regulations, memorandum of articles of association or other instruments constituting or defining the constitution of the company is K 1,000,000.00 (USD 312.5)
- b) Registration of any document or making a record of any fact authorized to be delivered, sent or forwarded to the Registrar not specified in (a) above is K 150,000.00 (USD 47.00)
- c) Certificate of Registration – K150,000.00 (USD 47.00)
- d) Sealing – K 150,000.00 (USD 47.00)

**If all the necessary paper work is in place and correctly done, the registration of a company can be completed in one day.**

## Legal Framework for Investment Protection

The Zambia Development Agency 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 also signed Investment Treaties with eleven countries. These bilateral investment treaties are reciprocal agreements between two countries that encourage, promote and protect foreign investment. These countries are Belgium, Luxemburg, China, Croatia, Cuba, Egypt, France, Germany, Ghana, Italy, the Netherlands and Switzerland.

## 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 addition, preliminary discussions to come up with Double Taxation Agreements and other trade facilities with India and Malaysia have commenced. 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.

## AGOA - Africa Growth and Opportunity Act

This Act provides trade preferences for quota and duty-free entry into the United States for certain goods. Notably, AGOA expanded market access for textile and apparel goods into the United States for eligible countries. Some AGOA countries have begun to export new products to the United States, such as cut flowers, horticultural products, automobiles and steel. Initially, AGOA was set to expire in 2008. In 2004, the United States Congress passed the AGOA Acceleration Act of 2004, which extended the legislation to 2015. The Act's apparel special provision, which permits lesser-developed countries to use foreign fabric for their garment exports, was to expire in September 2007. However, legislation passed by Congress in December 2006 extended it through 2012.

## CONTONOU AGREEMENT

The Cotonou Agreement, provides for *reciprocal* trade agreements, meaning that not only the European Union (EU) provides duty-free access to its markets for African, Caribbean and Pacific Nations (ACP) exports, but ACP countries also provide duty-free access to their own markets for EU exports.

True to the Cotonou principle of differentiation, however, not all ACP countries have to open their markets to EU products after 2008. The group of least developed countries is able to either continue cooperation of *non-reciprocal* trade preferences or the "Everything But Arms" regulation.

Zambia is also a signatory to the Cotonou Agreement, which aims to achieve free trade arrangements between the EU and the ACP regional groupings.

## EBA - Everything But Arms

**Everything But Arms** (EBA) is an initiative of the European Union under which all imports to the EU from the Least Developed Countries (LDC) are duty free and quota free, with the exception of armaments. EBA entered into force on 5 March 2001. There are transitional arrangements for bananas, sugar and rice until January 2006, July 2009 and September 2009 respectively.

## Market Access

Zambia's active participation in the 14 countries region SADC Trade Protocol as well as the Africa wide 20 countries COMESA/FTA offers preferential tariff access to total market potential of nearly 380 million people.

## COMESA (Common Market For Eastern and Southern Africa)

COMESA was founded in 1994 to replace the former Preferential Trade Area (PTA) and forms a formidable market (both external and internal trading) with over 20 member states with a population of more than 374 million and an annual import bill of around USD32 billion.

*“ ZAMBIA Bata Shoe Company Plc has established a new export market in Southern Africa with Zimbabwe emerging as a major importer of the company's leather and finished products. Our company is now exporting to South Africa, Malawi and Zimbabwe. We managed to penetrate the regional market based on our specialised production and focused marketing arising from trade interface between countries in the COMESA and SADC region.*

**Mr. Glenn Ireton Manley, Managing Director, Bata Shoe Company.**



*Boosting agricultural production for the local and regional market*

**COMESA Member States**

1. Angola
2. Burundi
3. Congo DR
4. Comoros
5. Djibouti
6. Egypt
7. Eritrea
8. Ethiopia
9. Kenya
10. Libya
11. Malawi
12. Madagascar
13. Mauritius
14. Rwanda
15. Seychelles
16. Sudan
17. Swaziland
18. Uganda
19. **Zambia**
20. Zimbabwe

**SADC (Southern African Development Community)**

SADC was formed with the objective of building a region of high levels of harmonization and rationalization that enable pooling of resources to achieve self reliance and ultimately improve the living standard and quality of people in this region.

**SADC Member States**

1. Angola
2. Botswana
3. Congo DR
4. Lesotho
5. Madagascar
6. Mauritius
7. Malawi
8. Mozambique
9. Namibia
10. South Africa
11. Swaziland
12. Tanzania
13. **Zambia**
14. Zimbabwe



## 4. KEY GOVERNMENT POLICIES

The Government has recognized that the private sector must become the engine of growth to drive the economy and create wealth and jobs opportunities for the Zambian people.

### Foreign Exchange

- ❁ Zambia abolished exchange controls in 1994. Companies can bring in capital and repatriate capital and profit without restrictions.
- ❁ Interest rates and foreign exchange rates are market determined.
- ❁ Investors face no restrictions on the amount of interest, profit dividends, management fees, technical fees and royalties that they are allowed to repatriate. Income earned by foreign nationals may also be externalized without difficulty.

### Rule of Law






- ❁ Zambia legislative power is vested in the Parliament which comprises the President and the National Assembly. The constitution was last amended in 1996 which covered areas in governance, legal and judicial doctrines.
- ❁ These changes included the declaration of sovereignty and democracy resolution to maintain Zambia as a democratic state, equal rights of men and women, upholding the laws of the elected state, declaration of the country as a Christian nation and resolution to remain a multiparty state.
- ❁ Guarantee against expropriation - The Government of Zambia has long recognized that the ability to encourage private investment is the key to stronger economic performance. The Zambia Development Agency Act of 2006 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's imposing Court House and Parliament Building reflect Nation's stability under rule and law of Parliamentary Democracy*



Being a former British colony, Zambia has a common law system. The Judicature of Zambia has five layers of Courts which include:

-  The Supreme Court
-  The High Court
-  The Industrial Relations Court
-  Subordinate Court
-  Local Court

### Equity Ownership

The financial sector is fully liberalized and allows for 100% foreign ownership of financial institutions.

All projects declared as being in a priority economic sector under the ZDA Act, can be 100% foreign owned. However the Zambian Government encourages foreign companies to have Zambian joint venture partners and the ZDA stands ready to help foreign companies to find such partners.

### Employment of Expatriates

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 or 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	K 2,000,000 (US\$ 430.00)	Issuance K 1,500,000 (US\$ 323)
Renewal	K 2,500,000 (US\$ 538.00)	Renewal K 2,000,000 (US\$ 430)
Replacement	K 2,000,000 (US\$ 430.00)	Variation K 2,000,000 (US\$ 430)
Addition of name	K 500,000 (US\$ 108.00)	Replacement K 2,000,000 (US\$ 430)
Occupation Change	K 1,000,000 (US\$ 215.00)	

**Exchange Rate: US\$ 1.00 = K 4,750.00 as at 30<sup>th</sup> October 2009**

All projects under the ZDA priority economic sectors will indicate to ZDA their expatriate requirements and once approved ZDA will write recommendation letters to the Immigration Department to assist the companies obtain the necessary self employment and work permits for their expatriate staff.

## 5. INFRASTRUCTURE

### Road Network

The Government of Zambia has begun the process of rehabilitating the road network in the country which covers 38,763 km. A five and ten year Sector Investment Programme, estimated at US\$411.9 million and US\$860.3 million respectively, has continued to generate interest and an impressive support from the World Bank.

International road highways link Zambia to nine countries Tanzania, Congo DR, Botswana, Namibia, Zimbabwe, Mozambique, Angola, Malawi and South Africa. The local highways lead to all provincial centres and towns.



*Building of new infrastructure*

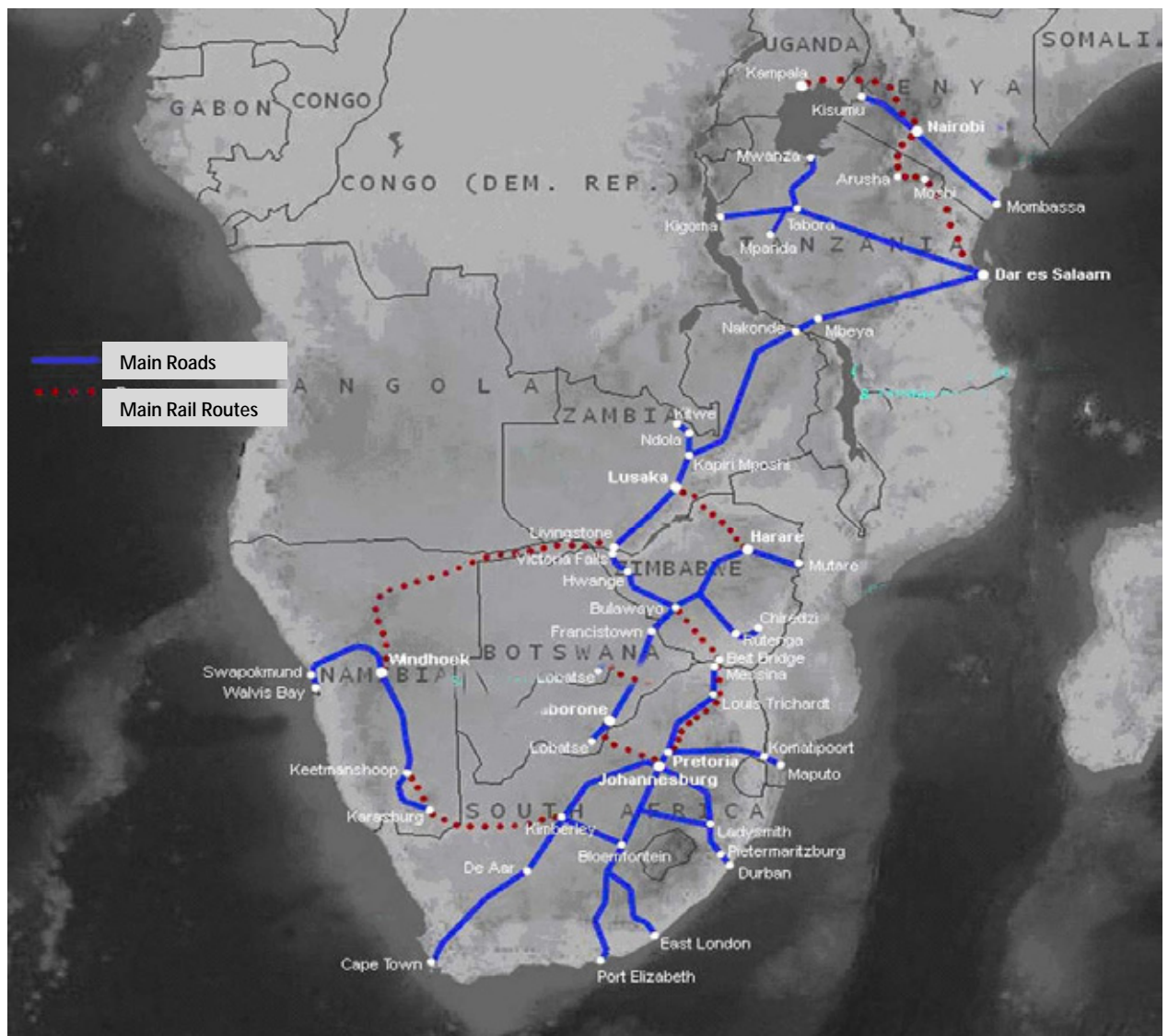
### Road links to Seaport

#### Seaports



*Neighbouring international seaports link Zambia to the world*

- a) **Beira Corridor** – The Corridor stretches from Beira in Mozambique via Zimbabwe and Zambia to Lubumbashi in Congo DR. The corridor is transversed by road with a total length of 1,580 Km and by rail with a distance of 2,558 km.
- b) **Nacala Corridor** - The corridor stretches from the Port of Nacala in Mozambique via Malawi to Lusaka in Zambia. Nacala can be accessed by road from Lusaka a distance of 1,774km and by road /rail combination measuring 604km of road and 1,140km of rail.
- c) **Durban Corridor** - The corridor has road, rail and road/rail combination of network from Durban in South Africa via Zimbabwe, Botswana, and Zambia to Congo DR border. The length of the road via Beit Bridge on the Zimbabwe-Zambia border to Congo DR border is 2,611km, while the length of the road to Lusaka via Plumtree on the Botswana-Zimbabwe border is 2,524km. The length of the rail route via Plumtree to Congo DR is 2,510km while the road/rail combination is 304km and 2,227km rail.
- d) **Dar-es-Salaam Corridor** - The Corridor stretches from Dar-es-Salaam in Tanzania to Harare in Zimbabwe via Lusaka. The road/rail combination is 304km road and 2,176km rail.
- e) **Walvis bay Corridor** - This corridor stretches from Walvis Bay in Namibia to Bujumbura in Burundi via Katima Mulilo on the Zambian-Namibia border. The road/water combination is 3,151km road and 650km.
- f) **Mpulungu Corridor** - This Corridor services Lusaka and Malawi via Chipata on the Zambia-Malawi border to Mpulungu and Great Lakes Region. The distance between Lusaka and Kigali is 1,390km by road and 650km by water.



## Airports

There are three international airports; Lusaka, Livingstone and Ndola. A fourth airport in Mfuwe serves chartered flights only, while another five secondary airfields and five airstrips serve international and domestic flights.

The Lusaka International Airport is Zambia's main airport connecting the country with the rest of the world. Lusaka Airport is complimented by the three smaller airports at Ndola, Livingstone and Mfuwe, as well as secondary airfields at Chipata, Kitwe, Kasama, Mongu, Solwezi and Mansa. The Lusaka International Airport is approximately 20km from the city centre.




Zambia has no national airline but is served by a number of airlines that connect to international routes via Johannesburg, Cape Town, Nairobi, and Dar-Es-Salaam. Zambezi Airlines is a privately run airline with regional flights to Johannesburg, Harare, Dar-es-salaam and Lubumbashi, and local flights to various destinations within the country. The country recently adapted an "open sky policy" and is currently encouraging the establishment of an air cargo hub for the Southern African region.

## Flights to and from Zambia

There is a thrice-weekly British Airways flight from the Lusaka International Airport to London. Other international airlines operating in Zambia include South African Airways, Kenya Airways, Ethiopian Airlines and Nationwide.

For the Asian businessman the best and most direct route would be to fly to Johannesburg in South Africa and connect by a 2 hour flight to Lusaka.

Direct flights to Johannesburg are available from:

-  Kuala Lumpur via Malaysian Airlines
-  Singapore via Singapore Airlines
-  Hong Kong via Cathay Pacific

Another possible route is through Thailand via Thai Airlines which has connecting flights at Addis Ababa in Ethiopia to Lusaka. Now there is also a recently launched direct flight into Johannesburg with Thai Airlines.

The third possible route is through India (Mumbai) via Ethiopian Airline which has connecting flights at Addis Ababa to Lusaka.

Another route is through India (Mumbai) via Kenya Airways which has a connecting flight from Nairobi to Lusaka.

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.

## Rail Network

Rail transport remains the dominant mode of transportation (83.4%) for goods on the local and international routes.

Two major rail lines link Zambia to six major African sea ports which are; Dar-es- Salaam, Beira, East London, Port Elizabeth, Durban and Cape Town.

**Energy**

Zambia has abundant energy resources. The most important source of energy is electricity and this is generated by three major hydro-electric power stations. Other energy resources are petroleum, coal and wood.

**ELECTRICITY TARIFFS (2009)**

<b>1. METERED RESIDENTIAL TARIFFS</b>	<b>ZMK</b>	<b>US\$</b>
R1 - Consumption up to 100 kWh Energy charge / kWh	107.80	0.02
R2 - Consumption 101 to 400 kWh Energy charge / kWh	177.80	0.04
R3 - Consumption above 401 kWh Energy charge / kWh	289.80	0.06
Fixed monthly charge	10,375.40	2.08
Pre-paid Energy charge / kWh	197.40	0.09
<b>2. COMMERCIAL TARIFFS - 15kVA</b>		
<b>C1 – Consumption up to 700kWh</b> Energy charge / kWh	209.55	0.04
Fixed monthly charge / kWh	37,600.89	7.52
<b>3. SOCIAL SERVICES TARIFFS</b>		
Water pumping, Street Lightening Fixed Monthly Charge	31,215.00	6.20
Schools, Hospitals, Churches, Orphanages Energy Charge/kWh	180.00	0.04
<b>4. MAXIMUM DEMAND TARIFFS</b>		
<b>(I) MD1 - CAPACITY BETWEEN 16 - 300kVA</b>		
Maximum Demand Charge /kVA/Month	10,165.68	2.03
Energy Charge/kWh	146.16	0.03
Fixed Monthly Charge	99,562.68	19.19
<b>(II) MD2 - CAPACITY BETWEEN 301 - 2000kVA</b>		
Maximum Demand Charge/kVA/Month	19,018.44	3.80
Energy Charge/kWh	124.74	0.02
Fixed Monthly Charge	199,124.10	39.82
<b>(III) MD3 CAPACITY BETWEEN 2001 - 7500 kVA</b>		
Maximum Demand Charge/kVA/Month	35,461.66	7.09
Energy Charge/kWh	113.60	0.02
Fixed Monthly Charge	492,467.36	98.49
<b>(IV) MD4 CAPACITY ABOVE 7500 Kva</b>		
Maximum Demand Charge/kVA/Month	35,659.04	7.13
Energy Charge/kWh	93.72	0.01
Fixed Monthly Charge	984,933.30	196.18

NOTE:  
 The above tariffs are inclusive of:  
 (a) 3% rural electrification levy  
 (b) 16.0 Value Added Tax (VAT)  
 Source: Zambia Electricity Supply Corporation (20<sup>th</sup> July, 2009)



*Growing power lines reflect dynamic infrastructure development*

**WATER TARIFFS**

DOMESTIC CUSTOMERS			COMMERCIAL CUSTOMERS		
Consumption Block	Amount per m3		Consumption Block	Amount per m3	
	Kwacha	USD		Kwacha	USD
6m3	600	0.17	0-100m3	800	0.23
30m3	750	0.21			
30-100m3	900	0.26			
100-170m3	1,700	0.49	100-170m3	1,800	0.51
Above 170m3	1,900	0.54	Above 170m3	2,000	0.57

OTHER CHARGES	FEE	
	Kwacha	USD
Communal taps: charge per household per month	K3,000	0.86
Sewerage services(% of water consumed); Domestic	30%	
Others	45%	
Leak detection fee	K50,000	14.29
Reconnection fee (domestic)	K70,000	20.00
Reconnection fee (others)	K200,000	57.14
Fixed charge per month (domestic)	K4,000	1.14
Fixed charge per month (others)	K10,000	2.86

<b>MAXIMUM VOLUME FOR ASSESSING UN-METERED CUSTOMERS</b>			
<b>Category and Area</b>	<b>Maximum Volume</b>	<b>Maximum Assessed Billing</b>	
		<b>Kwacha</b>	<b>USD</b>
<b>Low Cost Area</b> (e.g. Matero, Mtendere, Kaunda Square etc)	30m <sup>3</sup>	K21,600	6.17
<b>Medium Cost Areas</b> (e.g. Kabwata, Kamwala, Libala, parts of Chelstone etc.)	45 to 55m <sup>3</sup>	K44,100	12.60
<b>High Cost Area</b> (e.g. Kabulonga, Woodlands, Roma, parts of Chelstone etc.)	120m <sup>3</sup>	K115,606	33.03

**N.B**

1. Discharge of effluent costs K1,300 per 1 000 litres of disposal

**Source:** Lusaka Water and Sewerage Company Limited.

**Telecommunications**

Zambia is a member of INTELSAT and accesses an earth satellite station, which provides telex, telephone and television links with the rest of the world. Broadband internet connections are easily available and are efficient and reliable. The types of broad bandwidth in Zambia, uses both fixed and wireless broadband internet access. The fixed broadband internet access or ISDN is dominated by the state owned Zambia Telecommunication (Zamtel) while other internet service providers use MMDS wireless broadband internet access. However, the Communications Authority of Zambia is yet to start licensing broadband internet access using spectrum in the 3MHz band and WiMAX.

Over 97 percent of the telephone exchanges are automatic. In the main urban centers public telephones and privately operated cellular telephone networks are already in place. All towns are now fully covered by cellular telephone network. The major firms, which offer mobile phone services are, CellZ (government-owned) Zain Zambia (formally Celtel Zambia) and MTN Zambia, both are privately owned.

**Fibre Optic**

Currently there are three Zambian companies that have been licensed to operate as national Carrier of Carriers and have opted to lay fiber optics as a technology of choice. These are; the Zambia Electricity Supply Corporation ([www.zesco.co.zm](http://www.zesco.co.zm)), the Copperbelt Energy Corporation (CEC) ([www.cec.com.zm](http://www.cec.com.zm)) and the Zambia Telecommunications Company ([www.zamtel.zm](http://www.zamtel.zm)).

ZESCO and CEC have completed laying their fiber optic networks. CEC has invested a total of US\$ 9 million in the fibre network connecting all Copperbelt towns. ZESCO has completed about 1,200km from the Western Province via Livingstone-Lusaka- Ndola-Kitwe-Chingola-Solwezi to Lumwana in North Western Province. A complete installation countrywide to form the core backbone requires about 3,700km of fibre with an estimated cost of US\$13 million.

ZESCO and CEC fibre is available at 2.5Gbps. ZAMTEL have started laying fibre optic cables in underground trenches to complement their DSL links (in multiples of 64k) between major cities. The ZAMTEL fibre optic network will cost about US\$48 million.

The entire network by the three companies is to connect Zambia to the undersea cable through the EAssy Project or the SAT 3 cable of the west coast side of Africa through Namibia/Angola. The fibre will also interconnect to Zambia's eight (08) neighbouring countries.

## Industrial Land

Industrial land in the capital city Lusaka is located on the western part of the city. Every city in Zambia is zoned an industrial area where all manufacturing activities can take place. It is also where an investor wishing to set up an industry can do so.

In order to expand the country's manufacturing base and enhance national competitiveness, the Government is establishing industrial parks and will extend tax incentives under the ZDA Act to developers of, and investors in Multi-Facility Economic Zones and industrial parks. In addition, developers of an industrial park will qualify for the above incentives only if:

- (a) The layout of the development plan is approved by the relevant planning authority;
- (b) The park to be developed is at least 15 acres in size;
- (c) The park will have paved roads; and
- (d) Water and electricity supply within the park is provided.

These measures are aimed at attracting both local and foreign investors to open up and invest in the MFEZ and industrial parks across the country.

ZDA will assist all investors to identify suitable land for economic activities and ensure its proper allocation according to existing laws and regulations.

## Land Acquisition and Transfer

A foreign investor can acquire and obtain title deeds over land as long as he is an investor within the meaning of the ZDA Act or any other law permitting investment in Zambia.

The Government has also approved the establishment of Multi-Facility Economic Zones (MFEZ). These will be industrial areas for both export orientated and domestic orientated industries, with all the necessary infrastructure provided.

The Government has also embarked on an exercise to identify land for the creation of land banks for purposes of investment activities. This will greatly improve the speed of land delivery for investment purposes.

## Multi-Facility Economic Zones (MFEZ) - The Wave of the Future

### Lusaka South Multi-Facility Economic Zone

In responding to the need for value addition on raw materials and to boost the manufacturing sector, the Government of Zambia has embarked on setting up industrial parks around the country. The Government has identified an area located in the southern part of Lusaka designated to be an MFEZ. This is a 2100 hectares piece of land located in the southern part of Lusaka; it is 15 kilometres from Lusaka City and approximately 35 kilometres from the Lusaka International Airport. The Government of Zambia, supported by JICA and the Malaysian Kulim Hi-Tech Park (KTPC) are working on a Development Master Plan for the launching of the Lusaka South (MFEZ). The zone will accommodate fifty to sixty zone enterprises with an output volume exceeding US\$1.5 billion of which more than US\$ 600 million would be exported while employing more than 6,000 local people. The MFEZ is expected to be ready for investment by 2011.

### Zambia-China Cooperation Zone (ZCCZ)

The Zambia-China Cooperation Zone is an MFEZ with a total area is 4100 Hectares located in Chambeshi in the Copperbelt Province of Zambia. The Chambeshi MFEZ has been established by China Nonferrous Metal Mining Group with the support of both Governments of Zambia and China.





***High Tech Printing company in Zambia***

The MFEZ was declared through a Statutory Instrument. Already several enterprise mainly Chinese businesses have established in the area, including a copper smelter due to open by the end of 2008.

Catering for both Domestic and Foreign Investors all MFEZ's will have within or in close proximity the following features:

- a) Industrial land, cleared, zoned and ready for construction! Speedy approval of building plans, grant of titles etc.
- b) Road and / or rail linkages to ports (air and sea) and major internal markets.
- c) Electricity – adequate, without voltage fluctuations, blackouts, etc.
- d) Water, uninterrupted supply and depending upon needs – treated or untreated.
- e) Telecommunications – international direct dialling, fax, direct computer linkage to parent company overseas, etc.
- f) Waste disposal systems – both toxic and non-toxic wastes. g) Executive housing for expatriate and senior staff (and adequate housing for other local staff).
- h) International school for expatriate children. Initial Government support will be required until sufficient numbers of students are reached, for them to be independent.
- i) First class hotel facilities, for visiting senior official and staff on temporary assignments, etc (in proximity to zone).
- j) Adequate medical facilities.

**Note:** **g, h, i, j** above, can be, but need not be within the physical area of the zone.

### **Proposed Lumwana Multi Facility Economic Zone**

The project will be anchored on the Lumwana Mine and will facilitate investments of US\$ 1.2 billion by over 90 enterprises in various sectors, employing 13,000 people by the year 2020. The economic zone will be located on 35,000 hectares of land on the Lumwana Mine area in Solwezi district in North Western Province.

Several other areas have been identified for such similar MFEZs in Zambia. These areas are; in Ndola and Kasumbalesa both in the Copperbelt Province, and in Nakonde which is in the Northern Province.