



# Doing Business In Zambia: A Country Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business In Zambia

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### Market Overview

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Zambia is a landlocked southern African country of 11 million people, with good mineral resources, extensive arable land, and normally adequate rainfall. The country's nominal GDP was USD 5.4 billion in 2004, USD 7.3 billion in 2005 and estimated at USD 12.1 billion for 2006. A 2004 survey by the Zambian Central Statistics Office (CSO) indicates that 68 percent Zambians live below the poverty line. Zambia's level of urbanization, 38 percent, is one of the highest in sub-Saharan Africa. The 2005 CSO Labor Force Survey results show that 4.1 million persons were recorded as working. The under-employment rate among these working persons was estimated at 84.3 percent.

Zambia's merchandise exports earnings have improved substantially, raking in USD 3.54 billion in 2006 which is almost double the earnings accrued in 2005 when the country earned USD 1.9 billion. Non-traditional exports registered growth in 2006 with earnings increasing to USD 754.9 million from USD 576.7 million in 2005. Principal non-traditional exports with their respective percentage increase in brackets, during 2005

include sugar (102.7 percent) copper rod and cables (82 percent), burley tobacco (52.5 percent), coffee (26 percent), fresh flowers (25.8 percent), cotton lint (8.6 percent) and cotton yarn (0.7 percent).

Agriculture accounts for about 15 percent of GDP and over 80 percent of employment (formal and informal), while copper and cobalt exports account for about 75 percent of export earnings.

Zambia began an economic reform program in 1991 and has made significant progress in liberalizing its economy, opening to foreign trade, and privatizing state-owned enterprises. The vast majority of Zambia's 330 state-owned companies had been privatized by April 2000, including Zambia Consolidated Copper Mines (ZCCM). In 2003 the Government of Zambia cancelled plans to privatize some additional state-owned enterprises, including the national electricity utility, ZESCO. The utility was to remain under state ownership but operate commercially. ZESCO's "commercialization" is still underway, and the company has made efforts to collect payments more effectively and get its finances in better order, but it continues to face problems. U.S. power sector companies report continued difficulties in receiving payment from ZESCO for goods and services provided. The privatization of Zambia National Commercial Bank (ZNCB) was finalized in December 2006 with 49 percent shares sold to Rabobank of the Netherlands, 25 percent of the shares remaining in Government ownership and 26 percent of the shares to be floated on the Lusaka Stock Exchange.

## **Market Challenges**

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After years of high inflation and exchange rate instability, the Zambian government has recently made progress toward establishing a solid macroeconomic foundation. After 20 years of inflation in excess of 20 percent annually, Zambia's inflation rate stabilized at 18 percent in 2004 and fell to a single digit level of 8.2 percent in 2006. This is largely a result of tighter control over the government's expenditure and its borrowing from the central bank, increased export earnings from both traditional and non-traditional exports, and debt-service savings arising from the attainment of the HIPC Completion point in 2005. From 2002 through 2004 the exchange rate between the Zambian kwacha and the dollar remained relatively stable in the range of 3,500 to 4,500 kwacha to the dollar. In late 2005, the kwacha appreciated sharply against the dollar and other major currencies. In early 2006 the exchange rate stabilized at 3,500 kwacha per dollar and gradually weakened to close the year at 4,100 kwacha per dollar.

Other challenges to doing business in Zambia include a small domestic market, complex permit requirements without adequate transparency, and pervasive corruption. The government is seeking to address administrative barriers through its Private Sector Development Plan and has continued its campaign against high level corruption, launched in 2002. Through the Millennium Challenge Account Threshold Program the government is also addressing administrative corruption, by streamlining many procedures to eliminate opportunities for bribery and other forms of petty corruption.

## **Market Opportunities**

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There have been very few cases of blatant discrimination against foreign investors. Currently there are no overt restrictions on the repatriation of capital or profits, although the Government has announced that it is exploring mechanisms to partially restrict the repatriation of profits. A number of instances of government interference in the private sector, the continued government ownership of key public utilities, a weak court system, and inadequate law enforcement tarnish in practice Zambia's liberal investment environment.

Zambia's major imports are crude oil, chemicals and machinery. Others are, iron, steel, textiles, vehicles and manufactured goods.

## **Market Entry Strategy**

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Only a few U.S. companies have a significant presence in Zambia. Bilateral trade is limited by high transportation costs, the relatively small Zambian market, and low incomes. Zambia is a member of the World Trade Organization (WTO), the Common Market for Eastern and Southern Africa (COMESA), and the Southern African Development Community (SADC).

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

State Department Background Notes: <http://www.state.gov/p/af/ci/za>

Other useful sources of information include:

Bank of Zambia: <http://www.boz.zm>

Zambia Central Statistical Office: <http://www.zamstats.gov.zm>

Zambia and the IMF: <http://www.imf.org/external/country/zmb>

Zambia and the World Bank: <http://www.worldbank.org/afr/zm>

Zambia Association of Chambers, Commerce and Industry: <http://www.zacci.org.zm>

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### Using an Agent or Distributor

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Over 20 Zambian companies are significant agents or distributors for U.S. companies, and there is strong interest in acting as agents or distributors for U.S. products. Financing local inventories is often a problem, especially given current high interest rates. Only a few companies have sales or service networks that meet standards many U.S. companies desire. The Embassy has the capacity to conduct limited Agent/Distributor Searches when requested through a U.S. Department of Commerce district office, or when contacted directly by a U.S. company. Local offices of international accounting firms and business consultants can also assist in finding a qualified local business partner.

### Establishing an Office

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The legal requirements for establishing an office in Zambia are relatively simple. A prospective company must register with the Registrar of Companies at the Patents and Companies Registration Office, a semi-autonomous institution under the Ministry of Commerce, Trade and Industry, by submitting the company charter and a registration fee. This may be done by an individual, a law firm, or by a business consultant. According to the Investment Center, minimum investment per shareholder is USD 50,000 in the form of capital or assets or both plus a 2.5 percent registration fee. After submission of the company charter and payment of registration fees, a Certificate of Incorporation is generally issued within 24 hours. Under the terms of the new Zambia Development Agency Act, foreign nationals who invest USD 250,000 and who employ a minimum of 200 persons are entitled to self-employment or resident permits. With an approved investment license, these investors are also eligible for up to five expatriate work/resident permits.

Foreign companies that plan to invest in Zambia should obtain an investment license from the Investment Center of the Zambia Development Agency to take advantage of advocacy and services. The procedure is simple and licenses are approved or disapproved within 30 days. The Investment Center may be contacted at the following address:

Zambia Development Agency  
Investment Center  
6457 Los Angeles Boulevard, Longacres  
PO Box 34580, Lusaka, Zambia  
Tel: (260) 1-252-150; Fax: (260) 1-252-150  
E-mail: [invest@zamnet.zm](mailto:invest@zamnet.zm)

## **Franchising**

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Franchise business arrangements in Zambia are based on British contract law. Distributor or agent franchising is most common in Zambia, although the business-format type of franchising is beginning to develop. There is increased interest in franchising in Zambia generated by publicity and exposure to international franchise trade events in the U.S. Lack of financing options remains a major obstacle to franchise business in Zambia.

## **Direct Marketing**

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There are no restrictions on foreign firms directly marketing products in Zambia.

## **Joint Ventures/Licensing**

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There is strong interest in the Zambian business community in joint ventures and licensing agreements. These arrangements are often expected to help overcome domestic shortages of capital, technology, or expertise.

## **Selling to the Government**

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The Government of Zambia purchases directly from suppliers for orders worth 500,000 kwacha (about USD 120) and below. Purchases exceeding 500,000 kwacha, including capital expenditures funded by external assistance, go through the National Tender Board. Payment to the supplier or contractor is made by Ministry of Finance and National Planning through the requesting ministry or department.

## **Distribution and Sales Channels**

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Distribution and sales of goods and services are almost entirely through the private sector. There are both formal and informal distribution channels, large and small,

through which goods are sold to the consumer. Wholesale trade is concentrated in cities and large towns, with retail outlets and individual vendors operating in cities, towns, and remote areas throughout the country.

### **Selling Factors/Techniques**

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Selling is normally done on a cash basis, due to scarce and expensive credit. Companies that can offer credit, or an extended payment schedule, have an edge even if their prices are higher. Cost, reliability, simplicity, and durability are also important factors in marketing products in Zambia. After-sales service is an important factor for technical products.

### **Electronic Commerce**

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E-commerce is a relatively new way to conduct business in Zambia. Very few firms have web site or are equipped to conduct on-line transactions. Internet penetration is still particularly low, and virtually non-existent in rural areas.

### **Trade Promotion and Advertising**

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Electronic Media: Zambia has one national television station, three private television and 30 community radio stations, 18 of which have a limited audience. Television reaches less than 30% of households. Radio coverage is broad, reaching almost the entire country with broadcasts in both English and local languages. The most important television and radio broadcasters are:

Zambia National Broadcasting Company (ZNBC)  
PO Box 50015, Lusaka, Zambia  
Tel: (260) 1-251961; Fax: (260) 1-246 489  
Email: [znbc@zamtel.zm](mailto:znbc@zamtel.zm)

MUVI Television  
P. O. Box 33932, Lusaka, Zambia  
Tel: (260) 1-254 766  
Email: [muvi@iconnect.zm](mailto:muvi@iconnect.zm)

MOBI Television  
P. O. Box 31679, Lusaka, Zambia  
Tel: (260) 1-225 085; Fax: (260) 1-225 086  
Email: [mobitel@zamtel.zm](mailto:mobitel@zamtel.zm)

Radio Phoenix  
P/B E 702, Lusaka, Zambia  
Tel: (260) 1-222-403 Fax: (260) 1-221-655  
E-mail: [rphoenix@zamnet.zm](mailto:rphoenix@zamnet.zm)

Radio Icengelo  
P. O. Box 20942, Kitwe, Zambia

Tel: (260) 2-229 538 Fax: (260) 2-229 305

Print media: There are two state-owned daily newspapers, the "Times of Zambia" and the "Zambia Daily Mail." The only independent daily is the "The Post." "The Zambia Daily Mail" and the "Times of Zambia" also publish business weeklies, the "Financial Mail" and "Financial Times," respectively. Two monthly business publications are the Zambia National Farmers Union's "Zambian Farmer," and "Profit Magazine" published by the Zambia Association of Chambers of Commerce and Industry. The two latter publications are strong voices for private sector business in Zambia. The following are contact addresses for the major print media:

Times of Zambia, PO Box 70089, Ndola, Zambia  
Tel: (260) 2-611-001/2/3/4; Fax: (260) 2-614-469  
E-mail: [times@zamtel.zm](mailto:times@zamtel.zm)  
Website: [www.zamnet.zm](http://www.zamnet.zm)

Zambia Daily Mail, PO Box 31412, Lusaka, Zambia  
Tel: (260) 1-227-793/8; Fax: (260) 1-225-881  
E-mail: [zadama@zamnet.zm](mailto:zadama@zamnet.zm)  
Website: [www.zamnet.zm](http://www.zamnet.zm)

The Post, P/Bag E352, Lusaka, Zambia  
Tel: (260) 1-225-455; Fax: (260) 1-225-452  
E-mail: [post@post.co.zm](mailto:post@post.co.zm)  
Website: [www.postzambia.com](http://www.postzambia.com)

The U.S. advertising firm Young & Rubicam has offices in Zambia and may be contacted at the following address:

Young & Rubicam (Zambia) Limited  
Zone F, Comesa Center, Ben Bella Road  
PO Box 32497, Lusaka, Zambia  
Tel: (260) 1-228-489; Fax: (260) 1-225-173  
Email: [yubicam@coppernet.zm](mailto:yubicam@coppernet.zm)

## **Pricing**

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As Zambia's economy has become more open, pricing has become more competitive. International and domestic transportation costs can be a considerable factor in selling goods. Credit is scarce and, in spite of sharply reduced inflation rates and declining interest rates, remains relatively expensive, making it a major consideration in a purchasing decision.

## **Sales Service/Customer Support**

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After-sales service and customer support are important factors, particularly for technical products. In general, after-sales service and support are poor.

## Protecting Your Intellectual Property

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Trademark protection is limited. There are fines for revealing business proprietary information, but the fines are not large enough to penalize disclosure adequately.

Zambia's patent laws conform to the requirements of the Paris Convention for the Protection of Industrial Property, to which Zambia is a signatory. It takes a minimum of four months to patent an item or process. Duplicative searches are not done, but patent awards may be appealed on grounds of infringement.

Zambia is signatory to a number of international agreements on patents and intellectual property. These include the World Intellectual Property Organization, Paris Union, Bern Union, African Regional Industrial Property Organization, and the Universal Copyright Convention (under UNESCO). National laws are mostly adequate in protecting intellectual property rights, and there has been effective recent enforcement against pirated software and musical and video recordings. Small-scale trademark infringement occurs for some packaged goods through copied or deceptive packaging.

## Due Diligence

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All U.S. companies are advised to exercise due diligence before doing business in Zambia.

## Local Professional Services

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An attorney is not required to register and establish a company, but a local attorney familiar with Zambian law is best placed to handle many routine problems that may arise.

## Web Resources

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Zambia Investment Center: <http://www.zic.org.zm/>

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# Chapter 4: Leading Sectors for U.S. Export and Investment

- Overview

Zambia's economy has been growing for the past six years. Government has reduced its participation in business and instead encourages market-oriented economic reforms. Government issued a notice for the cessation of operations of five statutory bodies and established the Zambia Development Agency effective from December 31, 2006. The bodies that ceased to exist are the export Board of Zambia, Zambia Investment Center, Zambia Export Processing Zones Authority and Small Enterprise Development Board. This means all business previously conducted by the mentioned authorities will now be handled by the Zambia Development Agency (ZDA). ZDA will be a one-stop center to

promote efficiency, attract investment and competitiveness in business and promote exports from Zambia.

The 2006 National Budget also provided additional incentives that either reduced or suspended customs duty to zero percent for a period of five years. This is anticipated to stimulate growth and development in the sectors below.

### **Commercial Sectors**

- Manufacturing
- Computer/Peripherals
- Construction
- Transportation
- Mining Industrial Equipment
- Agriculture

### **Manufacturing**

The manufacturing sector received USD 425,141,239 Foreign Direct Investment pledges in 2006 compared to USD 113,866,848 in 2005. The sector has experienced steady growth. The production of high-quality, value added intermediate and final products for export is a priority goal for this sector.

### **Opportunities**

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The 2006 National Budget provided for suspension of duty for a period of five years on inputs used in textiles and clothing industry such as grey fabrics including loom steady, machinery, sewing threads, sewing machines spares and trimmings.

Customs duty was removed on printed board-paper used in packaging of Ultra High Temperature (UHT) milk.

In the 2007 National Budget further incentives were offered such as deferment of VAT on machinery and equipment imported for investment in the Multi-Facility Economic Zones and or priority sectors.

Duty free import of raw materials, capital goods and machinery for five years for enterprises in the Multi-facility Economic Zones.

Reduction of excise duty on electricity from 5% to 3%. This will further reduce cost of production as electricity is one of major costs in manufacturing. These provides opportunities for U.S. exports

### **Computers/Peripherals**

The computer market in Zambia is limited but growing steadily. Many corporations are introducing computer applications in their operations to enhance efficiency and productivity. The gradual expansion of Internet connectivity is also spurring demand.

## **Opportunities**

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There is a shortage of skilled repair facilities and software experts. Zambia has significant requirements for infrastructure rehabilitation. There is a demand for computers and computer consumables.

In 2004, customs duty on computer parts was reduced from 15 percent to 5 percent so as to encourage technological development in the country. In 2006, customs duty on computer parts was reduced to zero percent.

U.S. companies can participate in exports of computer parts and software.

## **Construction**

Investment pledges in the construction industry totaled USD 140,428,266 in 2006 compared to USD 4,933,500 in 2005. Rehabilitation of infrastructure is important for economic growth and development. Private sector participation in the construction industry has taken off since liberalization of the economy. Existing construction companies have expanded their operations while new companies have been established to cater for the mushrooming private sector growth. This sector has seen the construction and renovation of houses, office complexes, commercial premises and accommodation facilities within the tourism industry – including top quality hotels and game lodges.

## **Opportunities**

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Government has suspended duty to zero percent for a period of five years on materials used in the manufacture and packaging of cement.

Government has also suspended duty to zero percent for a period of five years on imported materials in the manufacture of roofing sheets.

There is a demand for construction equipment such as block making machines and other building materials.

## **Transportation**

Government has embarked on road, rail and airport rehabilitation and maintenance so as to improve on transport services in the country. As a landlocked country, air, road and rail transport are important for trade, particularly regional trade.

## **Opportunities**

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Government has suspended customs duty for a period of five years on all machinery, fixtures and equipment, tools, motor vehicle, motorcycle, and, bicycle parts, as well as parts used in the assembly of motor vehicles, motorcycles and bicycles.

Used trucks and spare parts are in demand for commercial transport.

### **Mining Industrial Equipment**

Total copper output in 2004 was 400,000 metric tons and in 2005 increased to 460,000 metric tons, and in 2006 to over 490,000 metric tons . This increase in annual copper production was mainly attributed to continued favorable conditions on the international metals market, as reflected in higher copper prices. Increased revenues enabled mining companies to undertake investments and refurbish plant and equipment, and increase efficiency, productivity and total output.

### **Best Prospects/Services**

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Underground mining equipment, heavy-duty mining equipment and mining consumables such as chemicals, spare parts and other accessories

### **Opportunities**

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Zambia also produces gemstones such as emeralds, aquamarine, amethyst, garnet, tourmaline, and others. There is tremendous interest in developing Zambia's gemstone industry. Zambia has deposits of gold, silver, selenium, talc, nickel, limestone, coal, clay graphite, and silica. The potential to cut and polish marble, precious stones, gemstones and malachite for export is immense. There are plans to develop gemstone auction floors as part of a marketing strategy. During recent exploration for other minerals, small quantities of coltan were discovered in Zambia. Although no direct efforts have been made to mine this valuable mineral, great potential exists.

### **Agricultural Sectors**

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Agricultural imports are generally about 10 percent of total imports. The major imports are farm implements, fertilizers, packaging, maize, rice, live animals for breeding, and agricultural chemicals such as pesticides. Agricultural exports include fresh coffee, cut flowers, sugar, tobacco, groundnuts, and fresh vegetables. The largest share of investment in the sector is from abroad, mainly from southern Africa, although several U.S. investors are engaged.

Zambia generally imports wheat, usually from South Africa, Canada, and the United States. Corn (maize) is also imported in years when drought affects Zambia. Zambia will only accept imports of agricultural products that are certified to be free of genetically modified organisms. This prohibits the importation of U.S. corn and soybeans.

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### Import Tariffs

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Customs valuation is ad valorem on a CIF basis. A small number of goods may be imported duty-free. These include medicines, pharmaceuticals, veterinary, medical equipment, chemicals in bulk, fertilizers, and seeds. Most goods fall into one of three tariff bands: 5 percent (selected raw materials, and capital equipment); 15 percent (intermediate goods); or 25 percent (final products). Duty on productive machinery for agriculture and mining is zero percent.

### Trade Barriers

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Selected items, including vegetable cooking oils and soaps, are subject to alternative specific duty rates above the standard bands.

### Import Requirements and Documentation

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No import licenses are required for general importation into Zambia. However, certification must be obtained for the following imports: meat and poultry (Veterinary Department); plants (Mount Makulu Research Station); food and drugs (Ministry of Health); firearms and ammunition (Zambia Police). Ivory imports are banned.

Standard customs declarations are required for imports. Banks are responsible for documenting payment. The 2007 National Budget introduced a 3% advance tax on commercial imports which comes into effect on April 1, 2007.

### U.S. Export Controls

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Export licenses are required for fertilizer, firearms, live animals, historical artifacts, and wildlife trophies.

## **Temporary Entry**

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Goods for visitor's own use (not applicable to Zambian residents):

Visitors declare their goods to Customs at the point of entry and declare and produce them for inspection at the point of departure. Generally a list describing the goods, prepared in duplicate well in advance, will hasten clearance on entry. When a visitor's motor vehicle is not covered by a valid carnet, Customs will issue a customs import permit (CIP).

Goods other than those for visitor's own use:

These require the permission of the Commissioner of Customs and Excise. Prior to importation, persons intending to import such goods should seek authority in writing, detailing the goods, value, purposes for importing, and duration of stay in Zambia. The Commissioner will in turn indicate the conditions for importation, which may include a refundable monetary security pending exportation after expiry.

## **Labeling and Marking Requirements**

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There are no special labeling or marking requirements. Government is cracking down on imported foods products that not adequately labeled in English.

## **Prohibited and Restricted Imports**

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There are no prohibited imports of otherwise legal goods. The importation of the following is expressly prohibited: false and counterfeit coins or bank notes; indecent, obscene, or objectionable material; goods manufactured or produced wholly or in part by prison labor; pirated and counterfeit goods; and any goods prohibited under any other law in Zambia such as the Drug and Psychotropic Act, the Wildlife Act, and the National Heritage Act for Historical Artifacts.

## **Customs Regulations and Contact Information**

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It is against both Zambian and U.S. law to buy, possess or transport animals or animal products, such as warthog tusks, tortoise shell, rhino horn, elephant ivory or any items made out of these materials. In Zambia, penalties range from large fines to mandatory 5-year prison sentences. The Zambian Wildlife Authority has screeners at international ports of entry/exit and will prosecute offenders to the fullest extent of the law. While many of these items are sold in open markets particularly aimed at foreign tourists, it remains the responsibility of the customer to ensure that he/she is not purchasing a prohibited item.

Mr. Muyangwa Muyangwa  
Commissioner – Customs  
Zambia Revenue Authority

Kalambo Road  
Revenue House  
P. O. Box 35710  
Lusaka  
Zambia  
Tel: 260-1-223 760  
Fax: 260-1-221 923

## Standards

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## Standards Organizations

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Standards legislation is outdated and not enforced. The Zambia Bureau of Standards (ZABS) intends to reevaluate and update existing legislation. Several companies are attempting to become ISO 9000 certified.

### NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

## Conformity Assessment

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ZABS has no equipment to test actual products, but has a Metrology Laboratory that provides calibration services.

## Product Certification

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Companies use in-house laboratories to certify products according to standards set by ZABS. ZABS recently bought portable electronic equipment, which will be used at the borders to clear electronic goods.

## Accreditation

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On November 4, 2004, the ZABS notified acceptance of the WTO TBT Code of Good Practice for the preparation, adoption and appreciation of standards.

## Publication of Technical Regulations

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The Export Board of Zambia issues a monthly newsletter, Export Review, containing information on the multilateral trading system and technical regulations in collaboration with ZABS.

## Labeling and Marking

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It is mandatory for manufacturers and importers of food products to ensure that labels provide information on shelf life.

## Contacts

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Mr. Mataa Mukelabai  
Director  
Zambia Bureau of Standards (ZABS)  
Lechwe House, Freedom Way  
P. O. Box 50259  
Lusaka  
Zambia  
Tel: 260-1-231 385  
Fax: 260-1-238 483  
Email: [zabs@zamnet.zm](mailto:zabs@zamnet.zm)

Ms. Anessi Banda-Bobo  
Registrar  
Patents and Companies Registration Office  
Mwayi House, Haile Selassie Avenue  
P. O. Box 32075  
Lusaka  
Zambia  
Tel: 260-1-255 151  
Fax: 260-1-255 426

## Trade Agreements

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Zambia belongs to the 20-member Common Market for Eastern and Southern Africa (COMESA), which allows for preferential tariff duty of 2 percent (selected raw materials and capital equipment); 10 percent (intermediate goods); 15 percent (final products). In October 2000, COMESA launched a Free Trade Area (FTA), which has nine member countries, including Zambia. The FTA is working to increase intra-COMESA trade and to make the region more competitive globally. Zambia also belongs to the 14-member

Southern African Development Community (SADC). SADC has also proposed establishment of a free trade area.

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COMESA: <http://www.comesa.int>

SADC: <http://www.sadc.int>

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## Overview

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Zambia has a generally positive investment climate, although progress toward a more open economy has been intermittent over the last three years. During the 1990s, Zambia opened its doors to foreign investment, reduced government intervention in commercial activities, privatized over 250 enterprises, and eliminated many market distortions. The impact of these progressive policies, however, was undermined by persistent fiscal deficits and widespread corruption at all levels of government. This led many Zambians to lose confidence in the efficacy of economic liberalization. These doubts provide partial explanation for the Zambian government's decision in 2002 and 2003 to seek alternatives to

privatization of the national railroad and the national electricity and telecommunications utilities. In 2003 and 2004, however, the Zambian government increased dialog with the private sector and placed a new emphasis on attracting investment. This change in emphasis continued through 2006.

Zambia experienced positive economic growth for the seventh consecutive year in 2006 with GDP of USD 12.1 billion and a real growth rate of 5.8 percent. The rate of inflation dropped from 30 percent in 2000 to 8.2 percent by December 2006. Zambia was able to attain single digit inflation despite rising oil prices, thanks to fiscal and monetary discipline.

For thirty years, copper production declined steadily from a 1973 high of 700,000 metric tons to a 2000 low of 226,192. The decline was the result of poor management of state-owned mines and lack of investment. With the privatization of the mines in April 2000, the downward trend in production and exports was reversed. Copper production increased to 400,000 metric tons in 2004 and 440,000 metric tons in 2005. This increase was a result of investments in plant rehabilitation, expansion, and high copper prices on the international market. Copper production rose to over 490,000 metric tons in 2006. The 2002 pullout of Anglo-American Corporation, the major shareholder in Zambia's largest mine, Konkola Copper Mines (KCM), raised doubts about the future of the Zambian copper sector but also opened the way for new investors. In 2004, Vedanta Resources (Great Britain) replaced AAC as the majority shareholder in KCM. Other leading investors in Zambia's mining industry are Glencore International (Switzerland), First Quantum Minerals (Canada) and Equinox Minerals (Canada and Australia). Fresh capital investment from these and other sources has increased Zambia's copper production.

Implementation of Zambia's Poverty Reduction Strategy has received support from multilateral and bilateral donors. In April 2005, the International Monetary Fund (IMF) and the World Bank's International Development Association (IDA) provided Zambia significant debt service relief and debt forgiveness under the Heavily Indebted Poor Countries (HIPC) initiative. Zambia was the 17th country to reach the HIPC completion point and has benefited from approximately USD 6 billion in debt relief.

In July 2005, the G-8 agreed on a proposal to cancel 100 percent of outstanding debt of eligible HIPC countries to the IMF, African Development Fund, and IDA. Zambia is among the beneficiaries of this additional multilateral debt relief.

Zambia's proposal for the Millennium Challenge Account (MCA) Threshold Program was finalized in May 2006 and implementation began in July 2006. USAID and its implementing partners are working closely with the Zambian government over a two year period to implement a USD 24.3 million program that will target three important areas, namely:

-- to address administrative corruption by helping to simplify and streamline business processes at the Ministry of Lands, the Department of Immigration, and the Zambia Revenue Authority;

-- to improve the environment for doing business in Zambia, by helping the newly-created Zambia Development Agency to simplify business registration, licensing, and inspection procedures, and to rationalize the economic regulatory framework, and by supporting Provincial offices of the Patent and Companies Registration Office (PACRO) to facilitate greater business and investment creation outside of the capital.

-- to facilitate trade by helping to increase the efficiency of procedures at the borders, through building capacity in modern customs techniques and integrating border control and management.

The Zambia Development Agency Act, enacted on December 31, 2006, makes a number of changes to investment procedures, in the interest of promoting economic growth and establishing a one-stop facility to ensure a client focus, better private-sector dialogue and more confidence in public sector support for business. The ZDA will have a Board that will approve investment applications, among other functions. A copy of the ZDA Act is accessible online at: <http://zambia.usembassy.gov/zambia/img/assets/5816/ZDA%20Act.pdf>.

## **Openness to Foreign Investment**

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The Zambian Government actively seeks foreign investment through the new Zambia Development Agency and its Investment Center, intended to be a one-stop resource for international investors interested in Zambia. The ZDA Board screens all investments for which incentives are requested and usually makes its decision within thirty days. The reviews appear routine and non-discriminatory, and applicants have the right to appeal ZDA Board decisions.

Investors in communications, banking, tourism, transport, mining, health, education, and aviation sectors must also comply fully with additional regulatory requirements and receive approval from relevant authorities in those sectors. For example, investment projects located in a Game Management Area require a permit issued by the Zambia Wildlife Authority, tourism investments require a Tourist Authorization License, and hotel investments require hotel licenses. The Bank of Zambia issues banking licenses for banks and non-bank financial institutions. The Communications Authority of the Ministry of Transport and Communications issues radio and telecommunications licenses. The Ministry of Mines and Mineral Resources issues a wide range of permits and licenses relating to investment in the mining sector.

On December 31, 2006, the Zambian Government issued a notice for cessation of operations of five statutory bodies and for the establishment of the Zambia Development Agency (ZDA). The bodies that formed the ZDA are Export Board of Zambia, Zambia Privatization Agency, Zambia Export Processing Zones authority, Zambia Investment Center, and Small Enterprises Development Board. Because the structure of the ZDA has not been finalized, we continue to refer to the Investment Center throughout this report. The ZDA Act also repeals the Investment Act, the Privatization Act, the Small Enterprises Development Act, the Export Processing Zones Act, and the Export Development Act. The ZDA Act

also has not been fully reconciled with the Immigration and Deportation Act and other Zambian legislation.

In addition to complying with Companies Act No. 26 of 1994, a foreign company must, within 28 days of establishing operations in Zambia, provide the Registrar of Companies with a list of its directors, a copy of its constitution, and the name of its local representative.

There is no distinction in law between foreign and domestic investors. In the privatization process, foreigners are eligible to bid on state-owned companies that are advertised for sale. Foreigners may also invest in the Lusaka Stock Exchange without restriction, and on comparable terms to Zambians. Companies seeking licenses or concessions or investors bidding for privatized companies are encouraged to commit to local participation. It is not clear how such commitments are weighed when decisions are made. A Citizen's Empowerment Act that was passed into law in September 2006 aims to provide opportunities for disadvantaged citizens to participate in business activities, but the way in which this empowerment will be carried out is not clearly defined, and much decision-making authority is vested with the Presidency. The new Act may have implications for foreign investors in terms of employment of Zambians and use of Zambian suppliers.

The judicial system has a mixed record in upholding the sanctity of contracts. The judicial process is lengthy and time-consuming. Many magistrates lack experience in commercial matters.

In December 2006, the Minister of Environment and Tourism criticized the presence of foreigners in the wildlife and hunting lodge industry, a key contributor to the tourism sector. Media reported that he said he would direct the newly appointed board of the Zambian Wildlife Authority (ZAWA) to give Zambian citizens first priority in the allocation of hunting licenses and Game Management Area permits.

## **Conversion and Transfer Policies**

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Investors are free to repatriate capital investments, as well as dividends, management fees, interest, profit, technical fees, and royalties. Foreign nationals can also transfer/remit wages earned in Zambia without difficulty. There is no exchange control in Zambia for anyone doing business as either a resident or non-resident. Additionally, there are no restrictions on non-cash transactions.

In July 2003, the Zambian Finance Minister announced that he was considering placing new restrictions on repatriation of profits. As of December 2006, no restrictions had been introduced.

Over-the-counter cash conversion of kwacha into foreign currency is restricted to a USD 5,000 maximum for account holders and USD 1,000 for others per transaction.

## **Expropriation and Compensation**

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Investments may only be expropriated by an act of Parliament relating to the specific property expropriated. The law states compensation must be at a fair market value, although the method for determining fair market value is ill-defined. Compensation shall be convertible at the current exchange rate.

Land, which is held under 99-year leases, may revert to the government if it is ruled to be undeveloped. So far, no privately held land has reverted.

## **Dispute Settlement**

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There have been relatively few investment disputes since the MMD government took office in 1991. The investment code stipulates that disputants must first resort to the Zambian High Court for internal dispute settlement. Failing that, the parties may go to international arbitration, which the state recognizes to be binding. Zambia is a member of the International Center for the Settlement of Investment Disputes (ICSID) and the United Nations Commission of International Trade Law (UNCITRAL).

Previous disputes involved delayed payments from state-owned enterprises for goods and services and the delayed deregistration of a US-owned aircraft despite contractual obligations.

Disputes have arisen over issuance of game management area permits and awards of hunting concessions, and investors have complained that procedures in this sector lack transparency.

The courts in Zambia are reasonably independent, but contractual and property rights are weak and final court decisions can take a long time. Slow courts and inadequate law enforcement procedures resulted in the unjustified jailing of a U.S. businessman in 1998. The issue was resolved after protracted legal proceedings.

There is no bankruptcy law in Zambia. Secured interests in property are possible and recognized, but fairly rare. There is no system for recording these interests.

## **Performance Requirements and Incentives**

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Currently, there are no requirements for local content, equity, financing, employment, or technology transfers but the situation might change with the enactment of the Citizens' Empowerment Act, depending on how it is enforced. The ZDA Act provides incentives for investment (see below). Although performance requirements are not imposed, authorities enforce commitments made in applications for investment licenses. For example, the government is currently requiring that an international firm licensed to operate a cellular

telephone network live up to a commitment to offer 10 percent of its shares on the local market.

**General Incentives and Taxation:** The Zambian tax system does not distinguish between foreign and domestic investors. Income from farming is taxed at a rate of 15 percent, below the standard corporate tax rate of 35 percent. In addition, that portion of income that is determined by the Commissioner of Taxes to originate from the export of non-traditional products is taxed at a rate of 15 percent (traditional exports are all mineral exports of copper, cobalt, lead, zinc, gold, and silver).

**Work Permit Requirements:** Under the new ZDA Act and notwithstanding the provisions of the Immigration and Deportation Act, a foreign national who invests a minimum of USD 250,000 or equivalent in convertible currency and who employs a minimum of 200 persons is entitled to a self employment permit or resident permit. Investors operating in Zambia must obtain a permit (the Investment Center provides assistance in obtaining this), in addition to other licenses/certificates, which may be required, depending on the sector (timber, tourism, and mining are some examples of sectors requiring special permits). With an approved investment license, an investor is eligible for up to five expatriate work/resident permits, but in practice some companies have had difficulty securing these.

**Capital Allowances:** Manufacturing, mining, and hotel structures qualify for a depreciation allowance of 5 percent per year plus an initial allowance of 10 percent of the cost in the year in which the building was first used. Equipment, machinery, and plants used exclusively for farming, manufacturing, and tourism qualify for a depreciation allowance of 50 percent. Capital expenditures on farm improvements qualify for a farm improvement allowance of 20 percent per year for the first five years. Capital expenditure allowance on the growing of coffee, tea, bananas, citrus fruits, or similar plants qualifies for a development allowance of 10 percent per year up to the first year of production. A farm work allowance of 100 percent applies to expenditure on farmland such as stumping, clearing, prevention of soil erosion, boreholes, wells, water conservation, and aerial or geographical surveys. The depreciation allowance for non-commercial vehicles is 20 percent (straight-line depreciation). Expenditure on other assets used in creating income qualifies for a depreciation allowance of 25 percent (straight-line depreciation).

**Special Incentives:** Under the ZDA Act, investors who invest not less than USD 500,000 or the equivalent in convertible currency in a priority sector or product are entitled to incentives specified by the Income Tax Act or Customs and Excise Act. There is a long list of priority sectors and products in the ZDA Act, including: floraculture, horticulture, processed foods, coffee and tea products, textiles and apparel, mini hydro-power stations, skills training, and processing of natural resources such as minerals, leather and wood.

Any machinery or equipment acquired by a business enterprise conducting operations in a priority sector or in priority products, or a rural enterprise, will be exempt from customs duties as specified under the Customs and Excise Act.

Additional investment incentives for qualified investors include:

- Suspension of customs duty for a period of five years on all machinery, fixtures and equipment, tools, and parts used in the assembly of motor vehicles, motorcycles and bicycles;
- Elimination of customs duty on computer parts;
- Suspension of customs duty for a period of five years on inputs used in the textile and clothing industry such as grey fabrics including loom stead, machinery, sewing threads, sewing machine spare parts and trimmings;
- Removal of customs duty on printed board-paper used in the packaging of Ultra High Temperature (UHT) milk;
- Reduced excise duty on liquefied petroleum gas (LPG) from 30 percent to 15 percent;
- Removal of customs duty for a period of five years on materials used in the manufacture and packaging of cement;
- Removal of customs duty for a period of five years on imported materials used in the manufacture of roofing sheets and;
- Removal of customs duty for a period of five years on machinery and equipment acquired by business enterprises that will operate in the Multi-Facility Economic Zone, in priority sectors or rural enterprise.

In his announcement of the 2007 National Budget, the Minister of Finance and National Planning promised several reforms and programs that would improve the business climate in Zambia and provide additional investment incentives. He noted the enactment of the Zambia Development Agency (ZDA) Act, which should reduce the high cost of doing business in Zambia and streamline many business processes. He also hailed two Multi-Facility Economic Zones (MFEZ) projects that will diversify the economy and promote exports. The Japanese International Cooperation Agency hired a Malaysian company to develop a MFEZ in Lusaka, and the Chinese government will develop a zone in Chambishi in the Copperbelt. Businesses located in the MFEZ will enjoy special incentives, including duty free imports of raw materials, capital goods and machinery for five years. In addition, the Minister noted that the GRZ will establish Patents and Companies Registration Offices (PACRO) in Eastern, Southern, and Copperbelt provinces.

## **Right to Private Ownership and Establishment**

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There is a right to private ownership of business enterprises and no business ventures are reserved solely for the government. In practice, however, the national telecommunications parastatal ZAMTEL maintains a monopoly on the international gateway, due to the high fee (USD 12 million) charged for an international gateway license, on "security" grounds. Private entities may freely establish and dispose of interests in business enterprises, but investment board approval is required to transfer an investment license for a given enterprise to a new owner.

Private enterprises have occasionally complained that the playing field is not level when they compete with public enterprises for licenses or concessions.

A subsidiary of a foreign company is regarded as a Zambian company. The legal liability of the parent company is limited to the amount of capital committed, together with any guarantees provided.

## **Protection of Property Rights**

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The ZDA Act ensures 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 the case of expropriation, full compensation shall be made at fair market value and shall be convertible at the then current exchange rate.

Trademark protection is adequate. There are fines for revealing business proprietary information, but fines are not large enough to penalize disclosure adequately. Copyright protection is limited and does not cover computer applications.

Zambia's patent laws conform to the requirements of the Paris Convention for the Protection of Industrial Property, to which Zambia is a signatory. It takes a minimum of four months to patent an item or process. Duplicative searches are not done, but patent awards may be appealed on grounds of infringement.

Zambia is a signatory to a number of international agreements on patents and intellectual property, including the World Intellectual Property Organization (WIPO), Paris Union, Bern Union, African regional Industrial Property Organization (ARIPO), and the Universal Copyright Convention of UNESCO. National laws are generally adequate in protecting intellectual property rights, and there has been effective recent enforcement against pirated musical and video recordings as well as software. Small-scale trademark infringement occurs for some packaged goods through copied or deceptive packaging.

Enforcement of property rights is weak in Zambia, and courts have little experience with commercial litigation. Planned legal reforms include the strengthening of commercial law and property rights.

## **Transparency of Regulatory System**

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The government has made strides toward introducing transparent policies to foster competition, but complaints arise from time to time. Questions have arisen in recent years regarding the award of game management areas, the enforceability of existing development agreements, and the fairness of competition between state-owned enterprises and private firms. In the agricultural sector, Zambian government interventions, through the purchase of maize (corn) at subsidized prices and the distribution of subsidized fertilizer, undercuts the private sector's capacity to enter these markets. The unpredictability of import and export bans on commodities, especially maize, is a deterrent to private sector participation in commodity markets.

Labor laws provide extremely generous severance pay and other benefits to workers, which can impede investment. Some businesses try to circumvent the rules by hiring on short-term contract basis. The Government is making changes to limit minimum wage benefits and conditions of service to a more narrowly-defined disadvantaged segment of the workforce.

Although the ZDA's Investment Center seeks to serve as a "one-stop shop" for investors, in practice red tape associated with licenses and permits presents problems. In some cases, scores of licenses are required to run a business. As mentioned above, the government is working to streamline numerous licensing requirements and administrative procedures.

Proposed laws are usually not published in draft form for public comment. Instead, there are opportunities for stakeholder consultations during which proposed new regulations can be discussed.

Although the underpinnings for an efficient system to handle court disputes exist, Zambian courts are relatively inexperienced in the area of commercial litigation. This, coupled with the large number of pending commercial cases in the system, keeps the regulatory system from being prompt and transparent. Some measures to promote resolution of disputes by mediation have been implemented in an attempt to clear the backlog. The courts support alternative dispute resolution, including a mechanism for binding arbitration. In 2004, the High Court established a commercial division to adjudicate high-value claims. This fee-based system has accelerated resolution of such cases.

## **Capital Markets and Portfolio Investment**

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### A) Banking Sector

Government policy generally encourages the establishment of free market financial institutions. Banking supervision and regulation by the Bank of Zambia (BoZ), the central bank, has improved over the past few years. Improvements include revoking licenses of insolvent banks, denying bailouts, limiting deposit protection, strengthening loan recovery efforts, and upgrading the training and incentives of bank supervisors.

Although some improvements have been registered over the past year, credit to the private sector is expensive and readily available only for extremely low-risk investments. One factor inhibiting lending is a culture of tolerating loan default, which many view as a minor transgression. In addition, until recently, high returns on government securities encouraged commercial banks to invest heavily in government debt, to the exclusion of financing productive private sector investments. Banking officials readily acknowledge that they need to upgrade the risk assessment and credit management skills within their institutions in order to better serve private sector investors. Some financial institutions restrict credit to Zambian-registered companies, but foreign ownership does not disqualify a loan applicant. Banks provide credit denominated in foreign currency only for investments aimed at producing goods for export.

## B) Lusaka Stock Exchange

The Lusaka Stock Exchange (LuSE) opened in February 1994 and is structured to meet the G-30 recommendations for clearing and settlement system design and operations. Since its inception, the LuSE has offered trading in equity securities, and in March 1998, the LuSE became the official market for trading in government bonds. Investors intending to trade in a listed security or government bond are now mandated to trade via the LuSE. The market is regulated by the 1993 Securities Act, and enforced by the Securities and Exchange Commission.

The market capitalization of the LuSE for 25 listed companies in 2006 was USD 3.2 billion, compared to USD 2.4 billion in 2005. LuSE officials attributed the growth to capital gains experienced by many stocks. The number of shares transacted on the LuSE also increased significantly in 2006. Foreign Portfolio Investment inflows in 2006 were USD 10 million, compared to USD 14.7 million of domestic participation in the market.

There are no restrictions on foreign participation in the LuSE and foreigners may invest in stocks on the same terms as Zambians.

## **Political Violence**

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Zambia has no recent history of significant political violence. Civil wars in the neighboring countries of the Democratic Republic of the Congo and Angola occasionally led to cross-border incidents, but these occurred in remote areas and their impact was limited to rural populations. The local government, parliamentary and presidential elections held in September 2006 were generally peaceful, although the announcement of Presidential election results sparked sometimes-violent demonstrations in Lusaka and the Copperbelt, which resulted in injuries and property damage.

## **Corruption**

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During the 1990s, corruption undermined the economic stability of Zambia. The problem pervaded Zambia, from the top down, ranging from senior government officials abusing the privatization process to local policemen committing extortion. The current administration has launched a campaign to uncover past abuses, punish perpetrators, and recover assets. Petty corruption, however, remains common, as low salaries for government employees undermine efforts at reform, and extensive regulations create opportunities for bribes. The issuance of land titles has been singled out as particularly susceptible to corruption, and the Zambian government is targeting administrative corruption in the Ministry of Lands, as well in the Immigration Department and the Zambia Revenue Authority as part of its Millennium Challenge Threshold Program.

The Anti-Corruption Commission investigates allegations of misconduct. In 2002, the government formed a Task Force on Corruption to spearhead efforts to hold accountable high level officials from the previous administration. At the President's urging, Parliament lifted former President Frederick Chiluba's immunity from prosecution, and he is among those charged with various offenses. In October 2006, the Task Force secured a conviction against former managing director of Zambia National Commercial Bank, Samuel Musonda, for 44 counts of abuse of office.

Zambia ratified the Southern African Development Community protocol against corruption in 2003. In January 2007, the Government announced that Zambia had acceded to the United Nations Convention Against Corruption (which entered into force in 2005) and ratified the African Union Convention on the Prevention and Combating of Corruption. Transparency International has an active Zambian chapter.

### **Bilateral Investment Agreements**

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Zambia has signed bilateral reciprocal promotional and protection of investment protocols with most of the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Development Community (SADC) member states. In November 2001, COMESA signed a Trade and Investment Framework Agreement with the United States. On October 2, 2000, Zambia became a beneficiary of the African Growth and Opportunity Act (AGOA), a framework for U.S. trade, investment, and development policy for sub-Saharan Africa. Zambia is also party to the Cotonou Agreement, which gives rise to new opportunities that allow foreign investors preferential access to the EU markets for a range of exported products from Zambia.

### **OPIC and Other Investment Insurance Programs**

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The Overseas Private Investment Corporation (OPIC) is a U.S. government agency that provides project financing and investment insurance for U.S. investors. The OPIC/Zambia agreement was signed in June 1999. Zambia is also a signatory to the Multilateral Investment Guarantee Agency (MIGA), which guarantees foreign investment protection in cases of war, strife, disasters, other disturbances, or expropriation. In June 2001, the World Bank extended credit in the amount of USD 5 million for starting the African Trade Insurance Agency (ATI). This institution, which is open to all African states that are members of the African Union, provides exporters with political risk insurance for trade transactions.

The Embassy uses approximately USD 18.2 million in Zambian kwacha per year. Kwacha are purchased at the market exchange rate, which ranged between 3000 and 4400 kwacha to the U.S. dollar over the course of 2006.

## Labor

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There is an abundance of unskilled labor and adequate semi-skilled labor. Skilled and professional workers are in short supply. Wages are not controlled. The government adheres closely to ILO conventions and has revised labor laws to conform to international practice. Labor-management relations vary by sector. Strikes are not uncommon in the public sector, and often are related to the government's failure to pay salaries or allowances on time. For example, in August 2006 nurses and health workers went on strike demanding that government pay them outstanding housing allowances.

Labor laws provide extremely generous severance pay and other benefits to workers, which can impede investment. Some businesses try to circumvent the rules by hiring on short-term contract basis. The Government is making changes to limit minimum wage benefits and conditions of service to a more narrowly-defined disadvantaged segment of the workforce.

## Foreign-Trade Zones/Free Ports

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An investor may apply to be appointed and licensed by the Commissioner General to establish and operate a bonded factory under Section 65 of the Customs and Excise Act. In 2002, the government amended the Customs and Excise Act in order to accommodate tax free zones. The new ZDA Act provides generous incentives for investors in Multi-Facility Economic Zones.

On October 31, 2000, the Common Market for Eastern and Southern Africa Free Trade Area (COMESA FTA) was launched. Zambia and eight other participating countries in the region are working toward a monetary union to reduce transaction costs and to make the region more competitive. In 2001, the Zambia Revenue Authority implemented a zero tariff for the COMESA FTA.

## Foreign Direct Investment Statistics

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The ZIC compiles data on investment commitments from investors who obtain investment licenses at ZIC. Investors in mining projects do not invest through ZIC but instead work with the Ministry of Mines and Mineral Development. The ZIC data are therefore incomplete, and do not show actual FDI flows or stocks, and should not be considered an accurate measure of investment. However, these are the only FDI data available in Zambia.

Investment Commitments by Sector (USD), as provided by ZIC, (January to November 2006)

Sector	2005	2006
Agriculture	27,116,118	59,455,495
Construction	4,933,500	140,428,266

Manufacturing	113,866,848	425,141,239
Transport	7,152,392	1,186,680
Mining	62,483,548	43,473,000
Service	19,302,162	4,576,065
Tourism	21,968,196	19,958,969
Health	44,617	1,382,000
Total	256,867,381	695,601,714

Investment Commitments by Country (USD)  
(January to November 2006)

Country	2005	2006
Algeria	-	1,000,000
Bermuda	-	21,455,000
British Virgin Islands	2,201,702	14,709,650
Great Britain	13,684,173	43,798,000
Great Britain/Kenya	-	400,000
Great Britain/India	-	1,530,000
Great Britain/Lebanon	-	1,200,000
Egypt	-	57,300
China	40,813,107	208,968,180
Netherlands	100,000	518,000
Canada	3,034,548	5,000,000
Congo DR	334,000	473,680
Greece	1,070,000	500,000
German	-	9,395,000
German/Netherlands	-	100,000
Cyprus	-	68,723,940
Denmark	677,000	14,060,000
Hungary	-	1,207,000
Isle of Man	-	780,000
Lebanon/USA/Pakistan	-	188,000
Kenya	25,145,000	5,800,000
Korea	-	302,000
Mauritius	424,095	5,079,390
Mauritius/Sri Lanka/USA	-	8,738,371
Pakistan	-	1,458,867
Botswana	-	500,000
Somalia	-	500,000
South Africa	9,552,326	28,048,422
France	120,000	104,000,000
USA	793,000	20,285,000
USA/Kenya	-	1,100,000
India	60,528,500	5,995,972
India/Tanzania	-	120,000
Tanzania	146,000	25,500,000
Tanzania/Hong Kong	-	1,395,000
Tanzania/Britain/Somalia	-	450,000
Zambia	61,582,808	41,939,685
Zambia/Belgium	-	1,000,000
Zambia/Chinese	1,150,000	270,000

Zambia/South Africa	175,000	10,000,000
Zambia/Britain	445,000	200,000
Zambia/Australia	-	510,000
Zambia/Denmark	54,920	210,000
Zambia/Ireland	-	100,000
Zambia/Sweden	-	200,000
Zambia/Switzerland	-	400,000
Zambia/Isle of Man	-	36,000,000
Zambia/Britain/Mauritius	-	450,000
Zimbabwe	5,717,265	753,857
Zimbabwe/Zambia	547,101	235,400

Much of Zambia's foreign direct investment is in the mining sector, particularly as a result of the privatization of mines previously operated by the government-owned Zambia Consolidated Copper Mines, ZCCM. U.S. companies are not among the large investors in copper, gold and gem mines. The issuance of all prospecting, retention and mining licenses is the responsibility of the Mines Development Department of the Ministry of Mines and Mineral Development. Data on mining investment is not readily available from official sources, but the following paragraphs describe some of the major investments, based on publicly available reports and articles.

#### Konkola Copper Mines (KCM)

On March 31, 2000, South Africa's Anglo American Corporation (AAC) acquired the Konkola and Nchanga copper mines and the Nampundwe pyrite mine from Zambia Consolidated Copper Mines (ZCCM), through a new subsidiary called Konkola Copper Mines. In late January 2002, AAC informed the government that it would divest from KCM. AAC cited financial losses linked to declining world copper prices and its failure to secure funding for the Konkola Deep Mining Project, which was the main basis for its investment in Zambia.

Following an upturn in global copper prices, Vedanta Resources Plc, which has its principal operations in India and is based in Great Britain, acquired a 51 percent stake in KCM for USD 48.2 million in August 2004. KCM has announced that an estimated USD 400 million will be used to expand its smelter and improve underground operations. The improvements in KCM's production capacity will push underground ore production to six million tons per annum from the current levels of two million tons.

#### Mopani Copper Mine (MCM)

MCM started off as a joint venture between Glencore International (46 percent) of Switzerland and First Quantum (44 percent) of Canada, with Zambia Consolidated Copper Mines (ZCCM) holding the balance (10 percent). Glencore later assumed complete control of the operation by increasing its shareholding to 73.1 percent. In 2005, production capacity was 185,000 tons. The targeted production for 2006 was between 240,000 to 270,000 tons. The MCM Mufulira Deep and Nkana mines have been in operation since 1933 and 1932, respectively. Glencore has been rebuilding, upgrading and setting up new facilities in order to increase production. MCM spent USD 280 million on new projects in 2004 and another USD 180 million in 2005 and a further USD 100

million on upgrades and new plants in 2006. Some of the work includes a new primary smelting furnace, a matte-settling furnace, a sulphuric acid plant, an oxygen plant, and upgrades of the associated infrastructure.

#### Kansanshi Copper-Gold Mine

Kansanshi Copper Mine is located about 15 kilometres north of Solwezi, in the Northwestern Province of Zambia. First Quantum Minerals holds 80 percent of the project and Zambia Consolidated Copper Mines (ZCCM) holds the remaining 20 percent. During the commissioning stage (November 2004 to April 2005), Kansanshi production totaled 6,792 tons of copper in concentrates and 1,941 tons of finished copper cathodes. First Quantum has obtained a USD 120 million loan facility for the development of Kansanshi Mine, which will boost production.

#### Lumwana Copper Mine

Lumwana Mine is located in the North Western province, 220 kilometers northwest of the Copperbelt region. It is one of the largest undeveloped copper projects in the world. Lumwana is 100 percent owned by First Equinox, of Canada and Australia. The mine is very large, with a low-grade copper resource containing 901 million tons of 0.7 percent copper. Lumwana mine is one of the largest copper mines in Zambia and is expected to produce its first copper in the second half of 2007. Equinox Minerals Limited signed a debt facility in December 2006 with a group of financial institutions to provide a total of USD 583.8 million for the completion of development and construction of the Lumwana copper project.

#### Kagem

Zambia produces approximately 20 percent of the world's emeralds and foreign investment has played a vital part in building up the industry. Kagem Mining Limited is the largest gemstone mining operation in Zambia and is 45 percent owned by a the Israeli-Indian consortium known as Hagura--which has put millions of dollars into the venture--and 55 percent by the Zambian government. In a bid to privatize the mine, government has signed an agreement to sell 42 percent of its shareholding in Kagem to Hagura. This is expected to attract additional capital for the venture's growth and diversification. Kagem management is interested in joint ventures and additional foreign investment.

#### Gemfields Resources Plc

Gemfields Resources Plc is a gemstone mine development and gemstone prospecting company mainly focused on emeralds. The company currently owns five Zambian emerald mining licenses, including the Kamakanga, Pamodzi, Mbuva-Chibolele and Arinus concessions. The company also holds prospecting licenses covering a substantial part of the prospective emerald-yielding areas in Ndola Rural Emerald Restricted Area (NRERA), together with a 50 percent interest in Kariba Minerals, which operates the largest Zambian amethyst mine. The quality of the Zambian emerald is almost at par with the Colombian emerald. In Zambia, deep green and valuable emeralds are currently sourced from the NRERA.

#### Uranium Mining

Uranium deposits have been found in southern province, Lusaka and Northwestern provinces of Zambia. The Minister of Mines and Mineral

Development is consulting with the United Nations International Atomic Energy Agency (IAEA) so that a policy could be framed and approved before the commencement of uranium mining in Zambia. Lumwana copper deposit contains 22 million pounds of U308 (8462 t U).

### Chinese Investment

China has become the third largest investor in Zambia after South Africa and Great Britain. Foreign direct investment pledges reported by Chinese companies in 2006 amounted to USD 208,968,180. According to the Chinese Investment Center, Chinese firms' cumulative investments exceeded USD 316 million by the end of 2006. China Non-Ferrous Metal Company's (CNMC) USD 150 million investment in NFC Africa Mining in Chambishi is China's largest copper mining investment. Copper production by Chinese-owned mines in Zambia is estimated at between 25,000 and 30,000 metric tons per annum. CNMC and another smaller Chinese copper firm signed a deal in 2006 to invest USD 220 million to build a 150,000-ton copper smelting plant, which should be operational in 2008. Chinese-owned firm CBMI Construction has been contracted by France's Lafarge to construct a new USD 120 million cement plant in Lusaka, to be commissioned in 2008. The new plant will produce 2,000 tons (80,000 50-kilogram bags) per day.

Major U.S. investments in Zambia include:

- Cargill Cotton Ginners Limited: a wholly-owned subsidiary of Cargill of Minneapolis, Minnesota, worth over USD 18 million.
- Dunavant Cotton: a wholly-owned subsidiary of Dunavant Cotton of Tennessee, worth approximately USD 25 million.
- National Milling Corporation: a wholly-owned subsidiary of Seaboard Corporation of Kansas, representing an initial investment of over USD 20 million.
- Metal Fabricators of Zambia (ZAMEFA): a vertically integrated manufacturing company owned by Phelps Dodge International Corp, Arizona. Freeport McMoRan Copper and Gold of Louisiana announced its intention to acquire Phelps-Dodge in November 2006. The deal, pending finalization, would create the world's largest copper company.
- Lilayi Estates: Nevada-based Houses for Africa, Pangaea Partners of Wisconsin, and Zambian partner City Investments Limited are together investing in a project to build 5,000 houses in southern Lusaka.

During 2006, Cinergy Corporation sold its shares in Copperbelt Energy Corporation to a group of Zambian investors.

### Web Resources

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Zambia Investment Center: <http://www.zic.org.zm/>

World Bank Snapshot on Zambia's Business Environment:

<http://rru.worldbank.org/DoingBusiness/ExploreEconomies/BusinessClimateSnapshot.aspx?economyid=207>

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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### How Do I Get Paid (Methods of Payment)

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Financing Exports and Insurance for U.S. Exporters: Credit is the most common method of payment used for Zambian imports. In general, companies find it difficult to finance their own imports and seek credit arrangements, but businesses considering offering their exports on credit should make a very careful check of the bona fides and finances of Zambian companies before doing so. Delinquent payments to suppliers are a common problem in Zambia.

### How Does the Banking System Operate

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The Banking System: Zambia has a commercial banking sector composed of private international banks, private domestic banks, and state-owned banks. It is made up of eleven banks, five of which are foreign-owned subsidiaries, four are owned by local investors, one is government owned and another is a joint venture between the Zambian and Indian governments.

It is a requirement for all banks operating in Zambia to incorporate locally. As a result, there are no local branches of foreign (including U.S.) banks or financial institutions. However, Citibank Zambia Limited, a wholly owned subsidiary of Citicorp NY, provides corporate banking services in Zambia.

The banking sector is supervised by the central bank, the Bank of Zambia (BoZ), which reports to the Ministry of Finance and National Planning. The sector is governed by the Banking and Financial Services Act of 1994 and accompanying regulations of the Laws of Zambia. The BoZ has proposed amendments to this Act to strengthen its supervisory powers and make the Act applicable to non-bank financial institutions. Industry observers generally credit the BoZ with making large strides in improving bank oversight

over the past several years. Parliament has passed legislation for deposit insurance systems and to prevent money laundering.

### **Foreign-Exchange Controls**

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Following a repeal of the Exchange Control Act in February 1994, Zambia established full convertibility in both the current and capital accounts. There are no controls on the movement of capital in or out of Zambia. Bank accounts may be held in local or foreign currency, and funds are easily transferred out of the country or held offshore. Amounts over 5,000 U.S. dollars, carried in or out in cash or travelers checks, must be declared. In March 1999, the BoZ instructed commercial banks and bureau de change operators to restrict issuance of over-the-counter cash to USD 5,000 per transaction.

### **U.S. Banks and Local Correspondent Banks**

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Banks with Correspondent U.S. Banking Arrangements:

Almost all commercial banks have correspondent U.S. banking arrangements:

Mr. Saviour Chibiya  
Managing Director  
Citibank Zambia Limited  
Citibank House, Chachacha Road  
P.O. Box 30037  
Tel: 260-1-229025  
Fax: 260-1-226258

Ms. Zandile Shaba  
Managing Director  
African Banking Corporation (Z) Limited  
4<sup>th</sup> Floor, NSCB Building  
Cairo Road  
P. O. Box 39501  
Lusaka, Zambia  
Tel: 260-1-234 541  
Fax: 260-1-234542  
Email: [abcz@abcz.co.zm](mailto:abcz@abcz.co.zm)

Mr. Daniel Nel  
Managing Director  
Barclays Bank of Zambia Limited  
Kafue House, Cairo Road  
P.O. Box 31936  
Lusaka, Zambia  
Tel: 260-1-228858-66  
Fax: 260-1-222519  
Email: [barclays.zambia@barclays.com](mailto:barclays.zambia@barclays.com)

Mr. Du Quiang  
Managing Director  
Bank of China (Zambia) Limited  
Amandra House, Ben Bella Road  
P.O. Box 34550  
Lusaka, Zambia  
Tel: 260-1-238711  
Fax: 260-1-235350  
Email: boc@zamnet.zm

Mr. Moses Malunda  
Managing Director  
Cavmont Capital Bank Limited  
Mukuba Pension House,  
Dedan Kimathi Road  
P.O. Box 32222  
Lusaka, Zambia  
Tel: 260-1-224280  
Fax: 260-1-224304  
Email: info@cavmont.com.zm

Mr. David King  
Managing Director  
Finance Bank Zambia Limited  
Chanik House, Cairo Road  
P.O. Box 36762  
Lusaka, Zambia  
Tel: 260-1-223587  
Fax: 260-1-227290  
Email: finance@coppernet.zm

Mr. S. Gupta  
Managing Director  
First Alliance Bank Limited  
Cha cha cha Road  
P.O. Box 36326  
Lusaka, Zambia  
Tel: 260-1-229303  
Fax: 260-1-228441  
Email: fabank@zamnet.zm

Mr. Cyril Patro  
Managing Director  
Indo-Zambia Bank Limited  
Cairo Road,  
P.O. Box 35411,  
Lusaka, Zambia  
Tel: 260-1-224653  
Fax: 260-1-225090  
Email: izb@zamnet.zm

Ms. Sherry Thole  
Managing Director  
Intermarket Banking Corporation Zambia Limited  
2<sup>nd</sup> Floor Farmers House  
P. O. Box 35832  
Lusaka, Zambia  
Tel: 260-1-227227  
Fax: 260-1-227274  
Email: idhzam@zamnet.zm

Mr. Friday C. Ndhlovu  
Managing Director  
Investrust Merchant Bank Limited  
AFE House, Freedom Way  
P.O. Box 32344,  
Lusaka, Zambia  
Tel: 260-1-238733  
Fax: 260-1-237060  
Email: imb@zamnet.zm

Mr. Larry Kalala  
Managing Director  
Stanbic Bank Zambia Limited  
Woodgate House, Cairo Road  
P.O. Box 31955  
Lusaka, Zambia  
Tel: 260-1-229285/6  
Fax: 260-1-225380  
Email: stanbic2@zamnet.zm

Mr. Tom Aaker  
Managing Director  
Standard Chartered Bank Limited  
Cairo Road  
P.O. Box 32238  
Lusaka, Zambia  
Tel: 260-1-229242/59  
Fax: 260-1-222092

Mr. Likoi Ndalamei  
Managing Director  
Zambia National Commercial Bank  
Plot 33454, Cairo Road  
P.O. Box 33611  
Lusaka, Zambia  
Tel: 260-1-228979  
Fax: 260-1-223106  
Email: webmaster@zanaco.co.zm

The availability of project financing, particularly for export-oriented projects, is improving. Besides bilateral and multilateral government agencies, commercial banks and venture capital funds are playing an increasing role. Both the U.S. and European Union (EU) have established enterprise development funds, which encompass Zambia. The International Finance Corporation (IFC) and Commonwealth Development Corporation (CDC) both offer financial assistance for projects in Zambia.

The Overseas Private Investment Corporation (OPIC), a U.S. government agency, offers project financing, political risk insurance, and investor services in Zambia. The U.S. Export-Import Bank currently provides only short-term insurance covering consumables, small capital goods, and raw materials up to 360 days.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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## Chapter 8: Business Travel

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## Business Customs

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Zambia adopted the British legal system at independence in 1964. Business law is based mostly on British law, and business customs are similar to those in the U.S. and Europe.

## Travel Advisory

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Crime is a problem in Zambia. Mugging is relatively rare, but car thefts and house and car break-ins are not uncommon. Copperbelt towns along the border with the Democratic Republic of Congo (Zaire) have seen periodic surges in crime due to problems across the border. There are no internal travel restrictions in Zambia, although areas around military bases may have restricted access.

Visitors should exercise caution when purchasing curios and souvenirs to avoid items that contain materials that are protected by the Convention on International Trade in Endangered Species (see Chapter 5, [Customs Regulation and Contact Information](#)).

## Visa Requirements

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Travel Advisory and Visas: Visas are required for U.S. passport holders, and it is highly recommended that travelers obtain visas in advance of arrival. Multiple entry visas may be obtained from the Embassy of the Republic of Zambia, 2419 Massachusetts Avenue, NW, Washington DC 20008, Telephone (202) 265-9717. Zambian Embassy officials generally require a letter of invitation from the individual or entity in Zambia with whom one intends to do business. Tourist visas may be obtained at the border at the airport upon arrival.

A foreign national who invests a minimum of USD 250,000 or equivalent in convertible currency and who employs a minimum of ten persons is entitled to a self employment permit or resident permit (see Chapter 6, [Investment Climate](#)).

U.S. companies that require travel of foreign business persons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

American Embassy Consular website:  
<http://zambia.usembassy.gov/zambia/consular.html>

## Telecommunications

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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.

Telecommunications are generally adequate, but often unreliable, especially during the rainy season. Cellular service is currently offered in all provinces of Zambia. Major private firms that offer mobile phone facilities include MTN Zambia Limited and Celtel Zambia Limited. International telephone calls are expensive, about 3 U.S. dollars per 3-minute call to the U.S., including tax. AT&T's USA Direct service is available, as well as similar services to Britain, Sweden and some other European countries. A number of callback service companies are operating, although their legality is disputed by the state-owned telephone company, ZAMTEL. Fax machines are widely used in Zambia.

There are five Internet service providers offering dial-up connections for about USD 30 per month for 33k to 56k bandwidth. One company offers DSL and four firms offer wireless Internet connectivity in Lusaka. Installation and monthly fees are high, running between USD 600-1000 for installation and USD 100 for monthly subscription fees, and connectivity speeds are relatively slow. In outlying areas, satellite links are the only means of telecommunications. The telecommunication infrastructure is relatively developed and state-owned Zambia Telecommunications Company (Zamtel) is yet to be commercialized.

## **Transportation**

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Zambia has more than 130 airfields, one-third of which are Government-owned, while the rest are privately owned. There are weekly or more frequent airline connections to Lusaka and Livingstone from London, Dar es Salaam, Harare, Johannesburg, Lilongwe, Nairobi, and other cities. Domestic flights are available between Lusaka, Ndola and Kitwe (Copperbelt Province), Mfuwe and Chipata (Eastern Province), Livingstone (Southern Province), and Kasama (Northern Province). There are daily flights linking Johannesburg to Ndola and Livingstone.

The Zambian Government has proposed to spend K11.4 billion for the rehabilitation of airports, which includes K8.5 billion for the extension of the runway at Livingstone International Airport.

Rail transport is the dominant mode of transportation (83.4 percent) for goods on the local and international routes; road transport accounts for 15.3 percent while the remaining 1.3 percent is carried by air transport. The railway system is run down and undergoing restructuring. Passenger train travel is unreliable and uncomfortable. There are numerous private city bus lines, but they are overcrowded and often unsafe. Government has targeted some funds for the construction of the Chipata-Mchinji Railway, connecting the eastern border with Malawi through to Nacala Port in Mozambique.

Road transportation is the preferred means of transport for many goods. The road network is uneven, consisting of 38,763 km of bitumen paved road and 8,592 km of gravel. 23,998 km is unclassified, but mostly likely unmaintained dirt road.

Zambia is landlocked and goods come in and out via air freight, or through four ports: Dar-es-Salaam, Tanzania; Beira, Mozambique; Durban, South Africa; and Walvis Bay, Namibia.

## Language

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English is the official language and the language of government and business in Zambia.

## Health

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Medical facilities are generally limited. Doctors and hospitals often require immediate cash payment for health care services. Medical insurance covering air ambulance evacuation is highly advisable. For the most recent travel information on Zambia, call (202) 647-5225. For fax information, call (202) 647-3000, or check [travel.state.gov](http://travel.state.gov) on the Internet.

Malaria is endemic in Zambia. Prophylaxis is strongly recommended. HIV prevalence is very high in Zambia, with 16 percent of the adult population HIV positive nationwide, but with much higher rates in urban areas. Water should always be treated if bottled water is not available.

## Local Time GMT +2, Business Hours, and Holidays

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Zambian business hours:

Government offices are open from 8:00 a.m. to 5:00 p.m., Monday to Friday. They are closed from 1:00 p.m. to 2:00 p.m.

Bank hours vary from bank to bank, but most are open from 8:00 a.m. to 2:30 p.m. Monday to Friday. Some are open every Saturday while most open every first and last Saturday of the month from 8:15 a.m. to 10:30 a.m.

Shops are generally open from 8:15 a.m. to 5:00 p.m., Monday to Friday, although some stay open until 8:00 p.m. They are also open Saturdays and Sundays from 8:00 a.m. to 1:00 p.m. although some remain open until 5:00 p.m. on weekends.

Zambian Holidays in 2007are:

January 1	New Years Day
March 12	Youth Day
April 06	Good Friday
April 07	Holy Saturday
April 09	Holy Monday
May 1	Labor Day
May 25	African Freedom Day
July 02	Heroes Day
July 03	Unity Day
August 06	Farmers Day
October 24	Independence Day
December 25	Christmas Day

## **Temporary Entry of Materials and Personal Belongings**

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These are grouped under two categories which are treated differently.

### a) Goods for tourist/visitor's own use (not applicable to Zambian residents)

Tourist/visitors declare their goods to Customs at point of entry and declare and produce them for inspection at the point of departure. Generally a list describing the goods, prepared in duplicate well in advance would hasten clearance on entry. In case of a tourist/visitor with a motor vehicle not covered by a valid carnet, Customs will issue a customs import permit (CIP) and other goods may be declared thereon.

### b) Goods other than those for tourist/visitor's own use

These require the permission of the Commissioner of Customs and Excise. Thus prior to importation, persons intending to import should seek authority in writing, detailing the goods, value, purposes for importing and duration of stay in Zambia. The Commissioner will in turn indicate the conditions for importation, which may include the putting up of a refundable monetary security pending exportation after expiry.

## **Web Resources**

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Zambia National Tourist Board: <http://www.zambiatourism.com>

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

State Department Consular Information Sheet:  
[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1062.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1062.html)

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## Chapter 9: Contacts, Market Research, and Trade Events

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### Contacts

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U.S. Embassy Lusaka

Ambassador - Carmen Martinez  
Deputy Chief of Mission - Andrew Passen  
Political/Economic Chief - Jill Derderian  
Commercial Specialist - Vedruna Santana

U.S. mailing address: 2310 Lusaka Pl., Washington DC 20521-2310.

International mailing address: United States Embassy, PO Box 31617, Lusaka, Zambia.

Street address: Corner of United Nations and Independence Avenues, Lusaka, Zambia.

Telephone: 260 1 250-955

Fax: 260 1 252-225

Zambian Government and Industry:

Ministry of Commerce, Trade and Industry, Permanent Secretary, Mr. Davison  
Chilipamushi, P.O. Box 31968, Lusaka, Zambia. Tel: 260 1 223-617.

Ministry of Finance and National Planning, Permanent Secretary, Dr. Wamundila  
Mbikusita Lewanika, P. O. Box RW 50062, Lusaka, Zambia. Tel: 260 1 250-657 and  
260 1 251-843.

Zambia Development Agency (ZDA), Acting Director General, Mr. Glyne Michelo, P.O  
Box 30819, Lusaka, Zambia. Tel: 260 1 228-107.

Zambia Association of Chambers of Commerce and Industry (ZACCI), Chairman, Mr.  
Wamu Kalabo, P.O. Box 30844, Lusaka, Zambia.  
Tel: 260 1 252-369

### Market Research

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To view market research reports produced by the U.S. Commercial Service please visit the following website <http://www.export.gov/marketresearch.html> and click on the link to Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

## Trade Events

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Trade Schedule: Zambia holds four annual trade fairs. The main trade event is the Zambia International Trade Fair, held the first week of July in the Copperbelt city of Ndola. This is followed by the Zambia Agriculture and Commercial Show held in Lusaka, the first week of August. The Zambia Mining, Agriculture, and Commercial Show has become increasingly important due to the privatization of the copper mines and is the premier event for any mining-related business. It is held in the Copperbelt town of Kitwe during the first week of June. The Gemstone and Mining Exhibition is held annually in Livingstone and Lusaka.

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

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## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.BuyUSA.gov/southernafrica>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.