



U.S. Country Commercial Guides



Zambia

2017

U.S. Department of Commerce | International Trade Administration

Zambia Country Commercial Guide

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Doing Business in Country

Market Overview

- Zambia is a politically stable, multi-party democracy, rich in natural resources.
- The economy enjoys liberalized prices on most items, a stable foreign exchange rates, and no currency controls
- Zambia's main export partner is Switzerland (45 percent of total exports, based on Swiss ownership of one of the country's copper mines). Others include: China (20 percent), South Africa, United Kingdom, Zimbabwe and DR Congo. Zambia's main import partner is South Africa followed by DR Congo and China.
- In 2016, Zambia's total imports from the United States were \$81.2 million, compared to \$84.2 million in 2015. These consisted primarily of machinery, rubber, and vehicles.
- In 2016, about \$46.6 million in Zambian exports went to the United States, compared to \$47.1.7 million in 2015. These consisted almost entirely of copper, cobalt, precious stones (primarily emeralds), and cotton.

Market Challenges

- The Zambian economy is heavily dependent on copper mining and rain-fed agricultural production, which exposes the economy to such external vulnerabilities as changes in global copper prices and seasonal weather patterns. Zambia has a relatively small domestic market that is spread across a country roughly the size of Texas. Zambia is a member of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA).
- Other challenges include: pervasive corruption, complex permit requirements, insufficient energy supply, inadequate law enforcement capacity, a weak court system, unreliable and expensive communication, and low, but growing internet connectivity.
- Although hourly wages are low, actual labor costs are considered high for the region — driven up by stringent labor laws and a shortage of skilled labor.
- Tightening of monetary policy by the Bank of Zambia has been effective in stabilizing the exchange rate but current liquidity conditions have contributed to the persistent under-subscription of treasury bills and bonds. Commercial lending rates are still very high, between 35 and 45 percent.
- Although improvements have been made at key entry points, including the opening of integrated customs services at the Zambia-Zimbabwe border at Chirundu, the DRC-Zambia border at Kasumbalesa, and the Zambia-Tanzania border at Nakonde, the cross-border movement of goods remains slow. This, combined with high fuel prices, translates into steep transportation costs.
- Government policies with respect to business and trade change often without prior consultation and are a challenge. Similarly, market-distorting subsidies in the agricultural sector inhibit the growth of the private enterprise.

Market Opportunities

- There are a number of commercial opportunities in Zambia's emerging economy, including a rising middle class in urban population centers. In general, most sectors are uncompetitive and are dominated by a few large players, leaving plenty of room for new market entrants. Market opportunities abound in the following sectors:
- Energy: Demand for electricity has been growing at an annual rate of about 3% and generation development is starting to grow. Investment opportunities include electricity generation, upstream and downstream petroleum, and renewable energies. Demand for renewable energies has grown significantly. Solar projects under private-public partnerships are ripe for development.
- Infrastructure: Building and construction is the largest industrial sector. Zambia has a national housing deficit of 1.3 million. Opportunities in the sector are led by demand in the mining industry, infrastructure development, residential buildings, and offices.
- Mining: Zambia is the second largest copper producer in Africa and seventh largest in the world. Foreign Direct Investment (FDI), since privatization, totals more than \$8 billion. Opportunities exist in exploration, mine services, water management, engineering, construction, and environmental services.

- **Agriculture:** The government is developing new farm block areas in all 10 provinces for large commercial farms. Opportunities exist in large-scale farming, farm input and agro-processing, equipment supply, and commodity storage and trading.
- **Manufacturing:** The government is developing a series of Multi-Facility Economic Zones (MFEZ) and Industrial Parks (industrial areas for both domestic and export orientated industries) to attract domestic and foreign direct investment. Opportunities include agro processing (food and beverages), textiles and leather, secondary processing of minerals, chemical products, electricity construction materials, and wood products. Investment incentives are available for priority sectors or investment in MFEZ.
- **Information & Communication Technology (ICT):** The ICT sector has seen growth as government has embarked on reforms and formation of an ICT policy. Opportunities include provision of retail fiber optic, mobile and internet service providers, software development, and ICT parks.
- **Tourism:** Zambia shares the world famous Victoria Falls, one of the Seven Natural Wonders of the World, with Zimbabwe. Zambia boasts 20 national parks and 34 game management areas. There are opportunities in tourism services and infrastructure as Zambia lacks adequate hotel room capacity, tourism operators, and transportation infrastructure in its tourism and copper producing regions.

Market Entry Strategy

- Relationships are key in finding a good business partner and a company needs to visit Zambia to maximize prospects for successful market entry.
- U.S. companies usually either license through local representatives, or export directly or indirectly through (often South African) intermediaries.
- Whatever market entry strategy is chosen, businesses should bear in mind that entering the market will require local expertise on legal and regulatory issues.

Political and Economic Environment

Link to the [State Department's website](#) for background on the country's political environment.

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

There is generally substantial local interest in representing and/or distributing on behalf of U.S. companies. Financing local inventories is often a problem, especially given high commercial loan rates. Few companies have sales or service networks that meet U.S. standards and expectations.

The U.S. Embassy has the capacity to provide full commercial services when requested through a U.S. Department of Commerce district office, or when contacted directly by a U.S. company.

The commercial services offered by the [U.S. Embassy in Zambia](#).

Local offices of international accounting and consulting firms can also assist in identifying qualified local business partners.

Establishing an Office

Foreign companies that plan to invest in Zambia can take advantage of the services at the One Stop Shop to obtain an investment license. The procedure is straightforward and licenses are approved or disapproved within three working days. In the same venue, one can access the Electronic Registry for Business Licenses (e-registry), which provides online access to information on all licenses and permits required to establish and operate businesses in Zambia.

[E-registry](#)

The following are the requirements for registering a foreign company in Zambia:

1. At least one and not more than nine local directors must be appointed as directors of a foreign company. At least one local director of the company must be resident in Zambia, and if the company has more than two local directors, more than half of them shall be residents of Zambia.
2. There must be at least one documentary agent (a firm, corporate body registered in Zambia, or an individual who is a resident in Zambia).
3. A certified copy of the Certificate of Incorporation from the country of origin must be attached to Form 46.
4. The charter, statutes, regulations, memorandum and articles, or other instrument relating to a foreign company must be submitted.
5. The Registration Fee of K4, 166 (about \$417.00) must be paid.
6. The issuance and sealing of the Certificate of Registration marks the end of the process for registration.

This information can also be found at the above web address of the Patents and Companies Registration Agency (PACRA).

The Lusaka One Stop Shop

P.O. Box 30819

Kwacha House Annex Building

Cairo Road

Lusaka, Zambia

Tel: +260-211-231104

Fax: +260-211-225270

Email: onestopshop@zda.org.zm

Franchising

Franchise business arrangements in Zambia are based on British contract law rather than more-binding U.S. franchising regulations. There is increased interest in franchising in Zambia generated by publicity and exposure to international franchise trade events. Lack of financing options, however, remains a major obstacle to franchise business development in Zambia.

There may be opportunities for U.S. franchises in the following areas:

- Fast Foods
- Restaurants
- Retail (including pharmaceutical and hardware)
- Clinics (including specialized hospitals)
- Hotels and Lodges
- Internet Service Providers

Direct Marketing

There are no restrictions on conducting direct marketing in Zambia. Advancements in technology have meant that the internet is now a more pronounced medium of communication.

Mobile phones are no longer used only for conventional purposes but for interaction on social networking communities and e-commerce.

Payment systems for electricity tokens, water bills, television channel subscriptions, and sending and receiving money are now available on mobile phones. There is an increase in mobile phone usage and digital marketing activities.

Joint Ventures/Licensing

The Zambian business community has a strong interest in joint ventures and licensing agreements. Local investors actively seek out these arrangements in order to overcome scarcity of domestic capital, technology, and expertise. There are no legal restrictions that define the terms of a joint venture arrangement. A suitable partnership should be established contractually and registered with the Patent and Company Registration Agency (PACRA).

Selling to the Government

The Government of the Republic of Zambia (GRZ) uses the e-procurement system for most government contracts that range from acquisition of goods to works and consultancy services. Some contracts are awarded through single source without following tender procedures. In addition, the government also uses the World Bank Group's public-private-partnership in infrastructure resource center for infrastructure procurements.

More information on public procurement visit [Republic of Zambia Business Licensing Portal](#) and [Zambia Public Procurement Authority of ZPPA](#).

Distribution & Sales Channels

Wholesale trade and distribution is concentrated in major towns around the country, including Lusaka, Kitwe, Ndola, Livingstone, Kasama, and Chipata.

Goods destined for Zambia arrive via South Africa (Durban, Port Elizabeth, and East London), Namibia (Walvis Bay), Mozambique (Beira and Nacala), and Tanzania (Dar es Salaam). Durban, Walvis Bay and Dar es Salaam are the most commonly used sea ports.

Virtually all imports are transported by truck and enter Zambia primarily through Chirundu and Livingstone (on the Zimbabwean border), Kazungula (on the Botswana border), Nakonde (on the Tanzanian border), and Sesheke (on the Namibian border).

The Kasumbalesa border with DR Congo, Nakonde border with Tanzania, and Chanida border with Mozambique see a great deal of mining sector-related traffic.

Imports coming through Durban, Walvis Bay, and Dar es Salaam can take up to two weeks to reach Zambia, due primarily to delays at border crossings.

Express Delivery

Zambia has a few express delivery services which include international companies such as DHL, Mercury Express Logistics, FedEx, and the Express Mail Service (EMS) offered by the Zambia Postal Service Corporation.

EMS has the widest domestic network utilizing the Post Office infrastructure which has 144 postal outlets and a fleet of delivery vehicles. Delivery of letters, documents and parcels within Zambia take a few hours to 48 hours depending on distance. International deliveries can take between 1-4 days and 3-5 days to the United States and Canada.

In case of export, a customs declaration form and commercial invoice quoted in any convertible currency would be needed for clearance. The Customer Service Centers and sales clerks would advise on proper packaging. The minimum weight for a single parcel is 30 kilograms but this is negotiable depending on the nature of the parcel. In case of dutiable items, expected recipients would be invited to collect items or parcels which would be subjected to customs examination.

Parcels and documents are examined by sales clerks to ensure that prohibited items are not sent through the service.

EMS delivery charges would range from \$1- \$5 while FedEx, DHL, and Mercury delivery charges range from \$10-\$30 per mail. Any mail costing \$300 would be assessed by customs officials who would also charge a certain percentage for the package.

Selling Factors & Techniques

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.

After-sales service is an important factor for technical products. Imported food products must have English-language labels that detail ingredients and shelf life. Any food products failing to meet this requirement are confiscated by local authorities and destroyed without compensation.

Goods and services are advertised through flyers in the main daily newspapers such as The Mast, Times of Zambia, and Daily Mail for wider circulation at a fee.

There are five private television stations and two public channels operated by the state-run Zambia National Broadcasting Corporation. The television channels and community radio stations provide advertising services.

E-commerce

Overview:

The Zambia telecommunications sector has achieved significant development over the last decade. Building on the 1994 reforms, which opened the telecommunication market to new entrants, the sector has experienced rapid growth. Market penetration is still low while prevailing prices are high indicating that the market is still largely underdeveloped with room for considerably more competition. In 2009, Zambia established the national Information Communication Technology (ICT) policy for regulating the telecommunication sector in the country. The Zambia National Information and Communications Technology ICT policy was developed based on thirteen pillars and three core thematic areas namely capacity building, effective regulatory and legal framework, and competitive ICT sector. To regulate the information and communication sector, the government established the Zambia Information and Communications Authority (ZICTA).

E-commerce is a growing market in Zambia. There is a different growth rate for different channels and mobile commerce is by far the fastest growing. The 2016 ZICTA report indicates that Zambia's internet subscriber base fell from 6.1 million to 5.2 million in 2016. The drop in 2016 is attributed to the high cost of data services resulting in users turning to basic handsets instead of data-enabled phones. Notable industries exploiting e-commerce space include banks and telecommunication companies.

Current Market trends:

Information and Communication Technologies Act Number 15 of 2009 guides ICT operations in Zambia. ZICTA provides for the regulation of information and communication technology; facilitates access to information and communication technologies; protects the right and interests of service providers and consumers; repealed the Telecommunications Act 1994 and the Radio Communications Act 1994; and provides for matters connected with or incidentals to the foregoing.

Most purchase in Zambia is through the mobile commerce channels namely:

- a) Credit Cards
- b) Debit Cards
- c) Automated Teller Machine (ATM) bill payments
- d) Kiosks
- e) Mobile devices

The major m-commerce channel is the mobile platform because of the coverage of mobile data networks. The government is building more communication towers to house base stations, enabling increased coverage for data access.

Domestic eCommerce:

eCommerce business to the consumer market is still developing. There is not much discussion on domestic eCommerce but most Zambians are comfortable with purchase of electricity tokens, digital TV purchase, water bill payment, and cardless transactions like eWallet.

Cross-Border eCommerce:

The top countries from where Zambians make online purchases include:

- a) USA (eBay)
- b) United Kingdom (eBay)
- c) China (Alibaba)

Products range from electronics to footwear, clothing, accessories, motor vehicle spare parts, and motor vehicles. Some challenges of online purchases are purchasing defective, poor quality gadgets or products and the supply of false information. Other challenges include the lack of information by the service provider such as contact details, right to withdrawal, non-receipt of the item purchased, terms and conditions, costs such as customs duty, value added tax, and import declaration fee.

B2B eCommerce:

Zambia is developing a B2B portal which is developing a database of suppliers and buyers and providing electronic tools to enable buyers submit tender information and receive bids from suppliers. This will increase trade between local small and medium enterprises and large companies.

Other entities take advantage of the B2B concept. For example the national pensions fund (NAPSA) has partnered with several banks to enable payments of pension contributions. Other partnerships include:

- a) Zambia Electricity Supply Company is integrating with IT companies for purchase and payment of electricity tokens
- b) Banks partnering with private companies in providing payment platforms to enable bank accounts to be debited for online transactions
- c) Water utility companies partnering with system integrators to allow for online payments of bills
- d) Pay television and many more services and products can be paid via the following channels:
 - 1) Mobile banking
 - 2) SMS Banking
 - 3) ATM
 - 4) Kiosk
 - 5) Website
 - 6) Credit Cards
 - 7) Debit cards

eCommerce Services:

The main service providers that help key industries are:

- a) Mobile telecoms operators in providing
 - 1) Unstructured Supplementary Service Data Services
 - 2) Data Services
 - 3) Short Messaging Services
- b) Banks in providing access to accounts for purchases
- c) Service providers such as:
 - 1) Tax Organizations
 - 2) Pensions
 - 3) Electricity
 - 4) Water
 - 5) Television

Popular eCommerce Sites:

The most commonly consumed platforms include:

- a) Zambia Revenue Authority, used for paying domestic taxes and customs services.
- b) National Pension Scheme Authority
- c) Patent and Company Registration Office

d) Zoono – an electronic transfer service that enables consumers to send or receive money within Zambia. The company offers services through a distribution network of cash agents and retailers countrywide. Through Zoono, consumers can pay bills, make loan repayments, and buy electronic vouchers.

e) Dot Com Zambia – a shopping platform that allows users to shop online from in-country (Zambia) and from international retailers located in the United Kingdom, United States, and China. The company also offers a digital bus ticketing system for sub-Saharan Africa.

Online Payment

The most common payment methods for online e-commerce transactions in Zambia include:

- a) Mobile based
 - 1) Mobile money
 - 2) eWallet
 - 3) Mobile banking
- b) Credit cards
- c) Debit Cards
- d) ATM
- e) Kiosk
- f) Web sites
- g) Paybills.co.zm (a payment service that allows customers in Zambia to pay utility bills, pay television subscriptions, and buy air time using VISA or MasterCard)

Mobile eCommerce

U.S. businesses can leverage the following vehicles for eCommerce that have become more widely available:

- a) Mobile Apps for
 - 1) Agri-business
 - 2) Match making
 - 3) Payments
 - 4) Insurance
 - 5) Banking
- b) System integration that enable systems to communicate among each other
- c) Toll gates and pre-paid systems
- d) Point of Sale for various business houses

Digital Marketing

There are very few digital marketing houses in Zambia. Several websites offer free space for advertising on their websites but oftentimes does not guarantee much traffic. Large, energy-intensive digital screens located at major intersections are a popular form of advertising used by many companies.

There is no single portal to register for online advertising. Below are a few that offer advertising opportunities:

[Zambia-U.S. Chamber of Commerce](#)

[Info Zambia - Advertising](#)

[Zambia Tourism - Victoria Falls](#)

[Livingstone Tourism Association](#)

Major Buying Holidays

The major consumer “buying holidays” and most popular shopping days on eCommerce in Zambia include:

- a) Christmas
- b) Agriculture and Commercial Show
- c) Trade Fairs
- d) Easter
- e) New Year

Social Media

There is a surge in social media usage, especially in the urban areas where there is mobile data coverage.

The following are trending:

- Facebook – attracts a younger audience
- WhatsApp is very popular among all age groups
 - a) Business networking
 - b) Socializing
 - c) Groups for collaboration
- Voice and video calls
- Twitter is not very popular in Zambia

Trade Promotion & Advertising

Zambia holds annual trade fairs. The main trade events are:

- [Zambia Agriculture and Commercial Show](#)
First week of August in Lusaka
- [Zambia International Trade Fair](#)
During the last week of June in Ndola (Copperbelt Province)
- [Agritech Expo Zambia annually](#) –
A premier agriculture expo held annually in April
- [CCPC, Copperbelt Mining, Agriculture, and Commercial Show](#)
Held during the last week of May in Kitwe (Copperbelt Province) –
- [Zambia International Mining and Energy Conference & Exhibition](#) --
Mid-June
- [Zambia International Building, Construction and Interiors Exhibition](#) –
Mid-June
- [Zambia International Property Expo](#)
Takes place annually in May in Lusaka

Electronic Media: Zambia has two government-owned national channels, five private television stations, and over 60 community radio stations. Radio broadcasts are in English as well as local languages and tend to reach a wider audience than television broadcasts.

Contacts for the dominant television and radio broadcasters are:

[Zambia National Broadcasting Company \(ZNBC\) TV1 and TV2](#)

Email: znbc@zamtel.zm

[MUVI Television](#)

Email: muvi@iconnect.zm
[Radio Phoenix](#)
Email: rphoenix@zamnet.zm

Print Media: The Times of Zambia and the Zambia Daily Mail are state-owned daily newspapers. The two independent daily newspapers are The Mast and The Daily Nation. Monthly business publications include the Zambia National Farmers Union's *Zambian Farmer* and the *Farmers Gazette*.

Contacts for print media are:

[Times of Zambia](#)

Email: times@zamtel.zm

[Zambia Daily Mail](#)

Email: zadama@zamnet.zm;

[Daily Nation Newspapers](#)

Email: sales@zambiadailynation.com

[The Mast Newspaper](#)

Email: info@themastonline.com

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

Young & Rubicam (Zambia) Limited

Email: yrubicam@coppernet.zm

Pricing

Local pricing is typically high as it usually accounts for international and domestic transportation charges, customs duty, and value added tax (16%).

In general, Zambian consumers are price conscious and place greater emphasis on price than quality. However, in many sectors Zambians still see the value in U.S. products and services compared to products and services from other countries.

Sales Service/Customer Support

After-sales service and customer support are important factors to business, particularly for technical products such as computers and equipment. Most business houses now provide customary sales and customer support especially for electronics and equipment.

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective management and protection of their intellectual property. The following articles provide additional background on these principles:

[Protecting Intellectual Property](#) and [Corruption](#)

Due Diligence

All U.S. companies are advised to exercise due diligence before doing business in Zambia. The Embassy has the capacity to provide information about local companies when requested through a U.S. Department of Commerce district office, or when contacted directly by a U.S. company through an International Company Profile. The International Company Profile (ICP) is the Department of Commerce's background check on the reliability of potential trading partners. An ICP report includes information on a prospective client, including: principal owners, year established, size, sales, financial information, trade references, general reputation, type of organization and territory covered, and a personal visit by an officer in order to give a professional opinion on the company. A U.S. exporter can obtain this information, as well as detailed answers to specific questions about the prospective partner, in a confidential report. In addition, the U.S. Embassy will provide a recommendation on the suitability of the profiled company as a business partner.

Also, local attorneys or business consultants can provide comprehensive assistance in determining the bona fides of a prospective business partner.

Local Professional Services

A number of professional service providers are available to U.S. companies. A list of attorneys can be found on the [U.S. Embassy in Zambia website](#) or through the [Law Association of Zambia](#).

Other resources include:

[Zambia Institute of Chartered Accountants](#)

[Zambia Institute of Marketing](#)

[National Construction Council of Zambia](#)

[The Engineering Institute of Zambia](#)

[Association of Professional Immigration Consultants](#)

[Zambia Institute of Human Resource Management](#)

Principle Business Associations

Zambia Chamber of Commerce and Industry (ZACCI): ZACCI is a national body representing the interests of the private business sector in Zambia focusing on the promotion and development of trade, commerce, and industry. Through its membership, ZACCI represents several thousand businesses in Zambia and a huge network of companies of all sizes and sectors. ZACCI offers a range of services to its members and represents private sector interests towards the government for the benefit of Zambia's private sector as a whole.

Zambia Chamber of Mines (ZCM): The ZCM was established for the purposes of promoting the interests of its members, and encouraging, protecting and fostering the mining industry in Zambia. The Chamber is a representative of all the major operating mines in Zambia both large and small. The main role of the Chamber is advocacy in creating synergies. The ZCM aims to influence policy in the mining sector to reflect the vision and goals of its members as well as to promote economic growth in Zambia.

Association of Zambian Exploration Companies (AZMEC): AZMEC provides a discussion forum and dedicated lobby group for mineral exploration companies and mining companies as well as government representatives, service providers, academic institutions and other interested parties in Zambia with the view to contributing to the growth, promotion, and sustainable development of the sector in Zambia.

Zambia Association of Manufacturers (ZAM): ZAM is the voice of industry, representing the interest of the entire manufacturing sector and other related economic sectors in Zambia. ZAM was established to foster dialogue and relations between the manufacturers and government so as to increase industrial intensity in Zambia. ZAM's major objective is to promote the manufacturing sector through policy advocacy, dialogue, lobbying and technology upgrading of the production process as a way of improving productivity and competitiveness in the industry.

American Chamber of Commerce in Zambia (AmCham): Founded in 2012, AmCham today has nearly 100 members from various multinational corporations and local Zambian businesses. The organization hosts several annual events and is working to increase its efforts, particularly in advocating with the government on issues critical to local business.

Limitations on Selling U.S. Products and Services

Zambia exhibits a policy of economic openness and as such no sector or industry is reserved for citizens. All sectors are open to both local and foreign businesses and investors.

Web Resources:

[Dot Com Zambia](#)

[Times of Zambia](#)

[Zambia Daily Mail](#)

[Pa-Zed.Com](#)

Leading Sectors for U.S. Exports & Investments

There are commercial opportunities in Zambia's emerging economy, including a rising middle class in urban population centers. In general, most sectors are uncompetitive and are dominated by a few large players, leaving plenty of room for new market entrants. Market opportunities abound in the following sectors:

Energy

Overview

There are five electricity companies in Zambia: the state-owned Zambia Electricity Supply Corporation (ZESCO) Limited; Copperbelt Energy Corporation (CEC); North-Western Energy Corporation (NWECC); Lussembwa Hydro Power Company (LHPC); and Maamba Collieries Limited. Currently, ZESCO is the largest electricity company in the country, running and operating power stations, transmission lines, and distribution networks.

Zambia's installed capacity stands at 2,347 Megawatts (MW). The main hydro power stations include Kariba North Bank Power Station, Kafue Gorge Power Station, Victoria Falls Power Station, and Itzhi Tezhi Hydro Power Station. One coal-fired plant, Maamba Collieries, was commissioned towards the end of 2016 and is currently generating 300 MW of power purchased by ZESCO for distribution on the national grid.

Demand for power in the various sectors of the economy has grown rapidly over the years and continues to grow. The Zambia Development Agency (ZDA) states that the demand for electricity in Zambia has been growing at an average 3% or between 150MW-200MW each year. Zambia is a member of the Southern Africa Power Pool and is therefore able to sell or buy excess electricity generated in the region.

Zambia is implementing the Second Scaling Solar project by the Industrial Development Corporation (IDC), and in close coordination with the Ministry of Energy. This second mandate for Scaling Solar was signed in February 2017 with the World Bank under the IFC program that is helping developing countries procure low cost, privately financed, solar power. The First Scaling Solar project was auctioned in May 2016 for two solar PV plants of 50 MW each and were awarded to international energy developers.

Sub-Sector Best Prospects

Solar resources: Zambia has abundant renewable energy resources spread out through out the country. Zambia enjoys long and intense hours of annual sunlight to support solar energy generations, and averages about 2,000-3,000 hours of sunshine per year. The solar power or photovoltaic (PV) market remains dominated by government, NGO and donor funded projects. U.S. products are well received among competition from China, South Africa, and India. The government intends to generate 600 MW through solar by 2020.

Power Africa Support: Power Africa supports a number of energy initiatives in Zambia, including technical assistance to the government institutions to develop a renewable energy feed-in tariff (REFIT) and a standardized power purchase agreement (PPA). As with many developing countries, the establishment of REFIT has spurred the on-boarding of new, small, private-sector driven renewable energy power generation partners. Power Africa also supported the introduction of IFC's *Scaling Solar* program in Zambia, which has been key in financing critical costs necessary for a transparent, competitive bidding process to attract project developers, build institutional capacity, and catalyze market growth. In accelerating off-grid energy growth, the Power Africa Off-Grid Energy Challenge has provided small grants for innovative, entrepreneurial developers seeking to expand rural access. Learn more about how Power Africa is partnering to address key challenges in Zambia's electricity sector and supporting private sector investment in energy at the [USAID](#).

Opportunities

There are opportunities in electricity generation and transmission, refineries, storage facilities and pipelines for petroleum and gas, renewable energy facilities and transport facilities for coal distribution and exports. Opportunities for solar energy include residential, schools, hospitals, health centers, commercial, utility, off-grid and agricultural sector.

Key government and regulatory agencies for Solar projects:

[Industrial Development Corporation](#)

Lusaka South Multi-Facility Economic Zone
F10723 Chifwema Road, Off Leopards Hill Road
P. O. Box 3732, New Kasama
Lusaka, Zambia
Tel: +260-211 843568/ +260-211 234648
Ministry of Energy
Mulungushi House
P.O. Box 50069
Lusaka, Zambia
Tel: +260-211 252666 / +260-211 252698

[Energy Regulation Board](#)

Plot No 9330,
Off Alick Nkhata Road
P.O Box 37631,
Lusaka, Zambia
Tel: 260-211 258844/49
Fax: 260-211 258852

Web Resources

[Industrial Development Corportation](#)

[Zesco](#)

[Energy Regulation Board](#)

Agricultural Sector

The Zambian agriculture sector comprises crops, livestock, and fisheries. There are three broad categories of farmers: small-scale, medium, and large-scale. Small-scale farmers are generally subsistence producers of staple foods with occasional marketable surplus. Medium-scale farmers produce maize and a few other cash crops for the market. Large-scale farmers produce various crops for the local and export markets. Most Zambians are subsistence farmers. Agriculture contributes about 19% to GDP and employs three quarters of the population. Domestic production is comprised of crops such as maize, sorghum, millet, and cassava while exports are driven by sugar, soy beans, coffee, groundnuts, rice, and cotton as well as horticultural produce. The Zambia territory is 75 million hectares (752,000 km²), out of which 58% (42 million hectares) is classified as medium to high potential for agriculture production. However, only 15% of this land is currently under cultivation. Zambia enjoys 40% of sub-Saharan water resources. Despite this, there is very little mechanical irrigation. The majority of farms are dependent on rain-fed growing cycles.

Sub-Sector Best Prospects

Government is promoting agriculture as a way to diversify the economy from copper with the development of farm blocks in all 10 provinces for large and medium commercial farming, fish farming and livestock. Private equity and other investors are active in this sector.

Opportunities

Agricultural cultivation in Zambia is mostly traditional, by hoe in particular, and the sector is rain-fed. Opportunities include large-scale farming, farm inputs and equipment supply, agro-processing and commodity trading. The sector is in dire need of mechanization.

Key government and regulatory agencies:

Ministry of Agriculture
Mulungushi House, Independence Avenue
P. O. Box 50197
Lusaka, Zambia
Tel: +260-211 251719
Ministry of Livestock and Fisheries
Mulungushi House, Independence Avenue
P. O. Box 35301

Lusaka, Zambia
Tel: +260-211 224648

Web Resources

[Zambia Development Agency](#)

Infrastructure Development

Overview

Infrastructure development still remains a major challenge to growth, economic diversification, and human development in Zambia. Major areas in this sector include investment in health, education, and water and sanitation; increase power generation capacity through up-grading and construction of new hydropower stations, and use of alternative energy sources; improving and expanding the rail network to reduce the burden placed on road infrastructure; and constructing additional inter provincial and inter district roads to open up the country through the Link Zambia 8000 project.

It is estimated that the backlog of housing units in Zambia is about 1.3 million and that 110,000 units per year will be required to clear the backlog for next ten years.

Sub-Sector Best Prospects

Zambia is implementing the Link Zambia 8000 project which is aimed at transforming the country from land-locked to land-linked. The project involves upgrading roads to bituminous standards of 8,201 km at an estimated cost of \$5.6 billion; National Road Tolling also aims to keep the core road network in maintainable condition and broaden financing options for road infrastructure development; the Pave Zambia 2000 which is aimed at rehabilitation of 2000 km of urban roads; and the L400 which entails construction of 400 km of Lusaka Urban roads at \$348 million.

Opportunities

Providing finance for the housing and other infrastructure projects is another opportunity for U.S. investors. Zambia has a critical shortage of housing estimated to be about 1.3 million units countrywide and government recommends an annual delivery rate of 110,000 units per year to meet demand in the next 10 years. Other areas include the mining industry, shopping centers, real estate development and offices,; rail, and other transport networks.

Key government and regulatory agencies

Ministry of Works and Supply
P.O. Box 50236,
Lusaka, Zambia
Tel: +260-211 252366/ +260-211 254108
Email: info@mws.gov.zm

Road Development Agency
HQ, Government Road
P.O. Box 50003
Lusaka, Zambia
Tel: +260 211 253088/ +260-211 253801
Fax: +260 211 253404

Zambia Environmental Management Authority (ZEMA)
P.O. Box 35131,
Lusaka, Zambia
Tel: +260-211 254130/ + 260-211 254164
Email: ecz@necz.org.zm

[National Construction Council](#)

P.O. Box 39548,
Lusaka, Zambia
Tel: +260-211 247185/ +260-211 240386

260-211-243115
Email: info@ncc.org.zm

Web Resources

[National Council for Construction](#)
[Road Development Agency](#)
[Zambia Development Agency](#)

Mining and Minerals

Overview

Zambia possesses the world's highest-grade deposits of copper and is ranked 7th largest copper producer in the world copper contributes over 70% of the country's national foreign earnings. Zambia produces about 20% of the world's emeralds. The mining sector is governed and regulated by the Mines and Minerals Development Act No. 7 of 2008 which covers types of mining rights, acquisition of mining rights, rights/obligations conferred on the mining right holder, transferability of mining rights, safety, health and environment and provides for the environmental protection fund, mineral royalties, fees and charges, and export of minerals.

Sub-Sector Best Prospects

There are prospects in uranium, coal mining, and gas exploration.

Opportunities

Opportunities exist in exploration, mine services, water management, engineering, construction, and environmental services.

Key government and regulatory agencies

Ministry of Mines and Mineral Development
P.O. Box 31969
Lusaka, Zambia
Tel: +260-211 235306/ +260-211 237307

[Zambia Development Agency](#)

P.O Box 30819
Lusaka, Zambia
Tel: +260-211 220177/ +260-211 225270
Email: zda@zda.org.zm

[Zambia Chamber of Mines](#)

Mpile Office park
Cathedral Hill
74 Independence avenue
P.O.Box 51393 RW
Lusaka, Zambia
Telephone: +260 211 258383/4
Fax: +260 211 258383/4
Email: info@mines.org.zm

Web Resources

[Zambia Chamber of Mines](#)
[Zambia Development Agency](#)

Information Communication Technology

Overview

The ICT sector has seen growth following the establishment of a National ICT policy for regulating the telecom sector in Zambia. The telecom sector comprises public switched telephone network (PSTN), international voice, local loop, national voice, mobile, private data networks and internet operators. All these subsectors are liberalized. PSTN and international voice are monopolistic sub-sectors, however the national voice, local loop, mobile internet and private data networks are competitive sectors. Government supports and encourages networking of services and applications through promoting e-commerce, e-agriculture, e-health and e-education and trade promotion programmes for goods and services. The government is working towards establishing e- government online services.

Opportunities

Opportunities include provision of retail fiber optic, mobile and internet service providers, software development, and ICT parks.

Key government and regulatory agencies

Ministry of Communications and Transport

Fairley Road, Ridgeway

P. O. Box 50065

Lusaka, Zambia

Tel: +260 1-256363/2

Fax: 260 1-256363

[Zambia Information and Communications Technology Authority](#)

Independence Avenue

p. O. Box 36871

Lusaka, Zambia

Tel: +260 211 24 6702 / +260-211 244424/27

Toll Free : 7070

Email : info@zicta.zm

Web Resources

[Zambia Information and Communications Technology Authority](#)

[Zambia Development Agency](#)

Medical Equipment

Overview

Zambia has a developing private and public health care system which provides diagnostic and curative medical services. Zambia benefits from USAID's assistance, primarily through the United States President's Emergency Plan for AIDS Relief (PEPFAR), to scale-up integrated prevention, care, and treatment programs, and to lessen the impact of HIV/ AIDS. Under PEPFAR, more than 720,000 Zambians receive life-saving antiretroviral treatment as compared to 3,500 in 2004, the HIV incidence rate has been cut in half in the last decade, and the infection rate for children born to HIV-infected mothers has dropped from 45 percent to less than 5 percent in 2017.

Sub-Sector Best Prospects

Zambia, along with all neighboring countries save for South Africa, do not have hospital centers of excellence to treat cases requiring specialized treatment, and lack specialist diagnostic and treatment centers to treat cardio-vascular, liver, renal, and cancer diseases.

Opportunities

Opportunities for investment in specialist medical diagnostic and treatment in the following areas:

Cardiology; Radiotherapy; Neurology; Urology; Traumatology; Nephrology & Dialysis; Diabetology; Dermatology; Physiotherapy; Key hole surgery; Stem Cell Therapy; and other surgical interventions.

Key government and regulatory agencies

Ministry of Health
Ndeke House
Haile Selassie Avenue
P.O. Box, 30205
Lusaka, Zambia
Tel: +260-211 251404

[Zambia Medicines Regulatory Authority](#)

Plot 6903, Tuletaka Road, Off Makishi Road
P. O. Box 31890
Lusaka, Zambia
Tel: +260-211 220429

Medical Stores Limited
Plot 6446, Mukwa Road
PO Box 30207
Lusaka, Zambia
Tel: +260 211 242768
Email: medstore@zamnet.zm

Web Resources

[Ministry of Health](#)
[Zambia Medicines Regulatory Authority](#)

Travel and Tourism

Overview

Zambia stands out as one of the prime tourism destinations in Africa offering a wealth of natural tourism assets. Attractions include the Victoria Falls, one of the Seven Natural Wonders of the World and UNESCO Heritage site, lakes and rivers, wildlife protected areas' occupying about 10% of the country's total land area. Endowed with a rich and diverse culture resulting in the occurrence of more than 30 colorful traditional ceremonies annually, it also has 20 national parks and 34 game management areas. However, this sector continues to be underperforming with opportunities for improvement. Eco-tourism is still under-exploited in Zambia. With abundant nature and wilderness, this segment of tourism offers exciting investment opportunities.

Opportunities

There are opportunities in tourism services and infrastructure. Zambia lacks adequate hotel room capacity in its tourism and copper producing regions. Other areas include safaris canoeing, game drives, nature walks, bungee jumping, micro light flights, sport fishing, rock-climbing, and orienteering.

[Zambia Tourism Board](#)

1st Floor Petroda House
Great East Road,
Box 30017, Lusaka, Zambia
Tel: +260-211 229087/ 90.
Email: info@zambia.travel

Web Resources

[Zambia Tourism](#)
[Zambia Development Agency](#)

Trade Regulations, Customs, & Standards

Import Tariff

Customs valuation is ad valorem on a Cost Insurance and Freight (CIF) basis. A small number of goods may be imported duty-free. These include medicines, pharmaceuticals, veterinary supplies, medical equipment, computer parts, and chemicals in bulk, fertilizers, and seeds. Most goods fall into one of three tariff bands: 0-5% (Capital Equipment and Raw Materials); 15% (Intermediate Goods); or 25% (Finished Goods). Duty on productive machinery for agriculture, aquaculture, solar energy and mining is zero percent.

Import Value Added Tax (VAT) is collected on behalf of the VAT Division and taxed on imported goods that attract VAT. VAT is charged on the Taxable Value, i.e. Customs Value + Customs Duty (+ Excise Duty, where applicable) at the rate of 16% while Carbon Emission Surtax is charged on all motor vehicles being imported as well as those visiting and transiting. The Carbon Emission Surtax is an annual charge for those vehicles already in the country based on the engine capacity of the vehicle.

[Zambia Revenue Authority](#)

Import Requirements & Documentation

Commercial documents such as a bill of lading, airway bill, and commercial invoice are required to clear goods with customs. The Import Declaration Form is used for statistical purposes, and no fee is required. Zambia Revenue Authority (ZRA) has implemented the automated system for customs data (ASYCUDA) world system which provides a platform that leads to a paperless customs clearance and domestic tax processes, enhancing opportunities for stakeholders involved in trade logistics to integrate their workflows and systems.

ZRA form CE 20, the standard form for entry and exit, is used for clearance at border posts. Certification is required to import meat (certification available from the Veterinary Department), plants and seeds and fruits (phytosanitary certification from Mount Makulu Research Station), food and drugs ([Ministry of Health and Zambia Medicines Regulatory Authority](#)), firearms and ammunition (Zambia Police), and gemstones and scrap metal export (Ministry of Mines).

Labeling/Marking Requirements

Imported food pharmaceutical products must have English-language labels that detail ingredients and shelf life of products. If inadequately labeled, these products may be confiscated and destroyed without compensation. Pharmaceutical products must also be labeled in English, detailing ingredients, recommended dosage, shelf life, and any cautionary notes.

Prohibited & Restricted Imports

Zambian law prohibits the importation of pornographic, indecent, obscene, or objectionable material, as well as goods produced wholly or in part by prison labor. Regulations related to the importation and transportation of pharmaceuticals is relatively strict. Travelers are strongly encouraged to carry their prescription drugs and medications in original labeled containers, as well as the written prescription from their physician. Travelers who cannot get a doctor's note for their over-the-counter medications, including some cold medicines, must leave them behind or risk arrest.

Customs Regulations

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 five-year prison sentences. The Department of National Parks and Wildlife has screeners at international ports of entry 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.

[Zambia Bureau of Standards](#)

Commissioner – Customs
[Zambia Revenue Authority](#)
Revenue House

Kalambo Road
P. O. Box 35710
Lusaka, Zambia
Tel: 260-211-223760
Fax: 260-211-221923

U.S. Export Controls

There are no sanctions against Zambia. The U.S. government requires export licenses for products related to national security, particularly dual-use technology that has commercial and military or proliferation application. Other items that the U.S. government regulates for export include defense articles, nuclear materials, and controlled substances. The U.S. government controls exports on a case-by-case basis, examining the following factors: the destination, the end-user, the product, and its end-use. The majority of exports which do require a license are either controlled on the Commerce Control List (CCL), administered by the Commerce Department, or the U.S. Munitions List (USML), administered by the State Department.

For more information on export controls, please visit the following sites of the Bureau of Industry and Security's [Commerce Control List](#) and [Export Administration Regulation Downloadable Files](#).

A list that consolidates eleven export screening lists of the Departments of Commerce, State, and Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available at [Developer Consolidated Screening List API](#).

Temporary Entry

Visitors are generally permitted to enter the country with goods for their own use. When a visitor's motor vehicle is not covered by a valid carnet, customs will issue a customs import permit (CIP). For goods not intended for the visitor's own use, permission must be acquired from the Commissioner of Customs. 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.

Standards for Trade

Overview

The Zambia Bureau of Standards (ZABS), a statutory body under the Ministry of Commerce, Trade and Industry is responsible for standardization, standards formulation, quality control, quality assurance, import and export quality inspection, certification and removal of technical barriers to trade. ZABS develops its own standards by consensus with interested parties within the country. ZABS verifies compliance with mandatory standards through import and export inspections which fall under the Import Quality Monitoring Scheme mandate. ZABS has a library which is a selling point for International Standards Organization and the International Electrotechnical Commission, Regional Standards, and Foreign Standards.

ZABS is the officially designated WTO – Technical Barriers to Trade (TBT) National Enquiry Point (NEP) for Zambia. According to the WTO – TBT Agreement, Zambia's NEP must regularly notify the WTO Secretariat of all proposed government regulations, conformity assessment procedures and standards – related trade information that might significantly affect international trade. The NEP also disseminates to interested parties in Zambia for their review and comments proposed foreign regulations and standards circulated by the WTO Secretariat.

Zambia develops its own standards also relies on international standards developed by international standards and regional trade setting bodies to promote regional trade and regional harmonized standards.

Zambia needs support in implementation and use of standards, training, testing, and certification of products.

Zambia is a member of the Common Market for Eastern and Southern Africa (COMESA) and Southern Africa Development Commission (SADC) and currently hosts the Secretariat, coordinating all Standards Harmonization Programs in SADC region. Zambia has in the past coordinated the harmonization of dairy standards in COMESA region.

Standards

ZABS is responsible for standardization, standards formulation, quality control, quality assurance, import and export quality inspection, certification, and removal of technical barriers to trade. Zambia uses national standards that include adoption/adaptions. These standards have a defined due process for adoption.

Zambia has adopted and signed a memorandum of understanding for a number of ASTM International standards. Through direct adoption or adaptation, Zambia uses standards from Codex Alimentarius, the United Nations Economic Commission for Europe, and the Organization for Economic Co-operation and Development. Zambia also uses international standards from private organizations (e.g. International Organization for Standardization, the International Electrotechnical Commission or International Telecommunications Union) either through direct adoption or adaptation. This is true for European standards such as the European Committee for Standardization, the European Committee for Electrotechnical Standardization and the European Telecommunications Standards Institute).

Entities that do not have a manufacturing presence can participate in national standards development as advisers or observers.

Testing, Inspection and Certification

Zambia uses the regional accreditation body under Southern African Development Community Cooperation in Accreditation, the Southern African Development Community Accreditation Services (SADCAS). Test certificates from foreign laboratories are accepted if the laboratories are accredited. The U.S. testing laboratories can operate in the Zambian market and test U.S. products to comply with domestic regulatory requirements.

[Southern African Development Community Accreditation Services](#)

Plot 50669, Unit 2A, Tholo Office Park, Fairgrounds
Private Bag 00320,
Gaborone, Botswana
Tel: +267 3132909 / 3132910
Mobile: +267 71250042
Email: info@sadcas.org

Publication of Technical Regulations

Zambia's technical regulations, both proposed and final, are published in the Government Gazette. U.S. entities can comment within the 60 days public enquiry stage during the development process. Zambia maintains an annual regulatory agenda through the regulatory activities.

Contact Information

[Zambia Bureau of Standards](#)

Lechwe House, Freedom Way
P. O. Box 50259
Lusaka, Zambia
Tel: 260-211 231 385
Fax: 260-211 238 483
Email: zabs@zamnet.zm

[Patents and Companies Registration Agency](#)

Mwayi House, Haile Selassie Avenue
P. O. Box 32075
Lusaka, Zambia
Tel: 260-211 255 151
Fax: 260-211 255 426

[Zambia Medicines Regulatory Authority](#)

Plot 6903, Tuletaka Road
P. O. Box 31890
Lusaka, Zambia

Tel: 260-211 220 429
Fax: 260-211 230 458
Email: pharmacy@pra.gov.zm

Commercial Office
Embassy of the United States of America
P. O. Box 31617
Lusaka, Zambia
Tel: 260-211 357000
Email: commercialusaka@state.gov

Trade Agreements

Zambia belongs to the 19-member COMESA, which allows for preferential tariff duties between member states. Zambia also belongs to the 14-member SADC, which established an FTA in 2008. The establishment of a single market through the merged Tripartite Free Trade Area (COMESA, the East African Community [[EAC],] and SADC) was formally launched in June 2015).

Zambia has duty-free and quota-free access to the EU market, under the "Everything but Arms" (EBA) scheme for the world's Least-Developed Countries (LDCs). Zambia is also eligible for trade benefits under the African Growth and Opportunity Act (AGO), which provides duty-free/quota-free access to the U.S. market for most goods, including textile and apparel.

Licensing Requirements for Professional Services

Professional associations regulate the practice by all local and foreign service providers through compulsory registration and licensing to associations that include:

- The Law Association of Zambia,
- Zambia Institute of Chartered Accountants,
- Medical Association of Zambia
- Engineering Institute of Zambia

Trade Regulation Web Resources

[Zambia Bureau of Standards](#)
[Zambia Revenue Authority](#)
[COMESA](#)
[SADC](#)
[U.S. Embassy Consular website](#)
[Zambia and the EU](#)

Investment Climate Statement

Executive Summary

Zambia is a landlocked state located in southern Africa. Today, it continues to be faced with the challenges of diversifying its economy, which is 70 percent dependent on copper exports, and accelerating private sector-led growth to address the poverty of its people. For over a decade, Zambia enjoyed economic growth averaging more than seven percent driven mostly by high commodity prices. Despite this performance, poverty, red tape, and corruption remain among the most pressing issues in the country along with rampant government spending, widespread borrowing, and inconsistent economic policies, all of which have left the economy especially vulnerable to external and internal shocks such as instability in copper prices and poor electricity generation. As a consequence, economic growth for 2016 was three percent and the forecast for 2017 is just above four percent.

As a lower middle income country with minimal access to concessional lending, per World Bank classification, the Government of the Republic of Zambia (GRZ) has borrowed both on the international market through three successive Eurobonds and through contracts with foreign companies to conduct short-term development projects. The government laid out an economic recovery plan in its 2017 budget with the intent of sensible spending and reduced borrowing, but budget execution by the GRZ historically has been poor, as senior ministerial officials have thwarted approved planned expenditures in favor of pet projects. The government continues to be elusive regarding its intent for a possible IMF program, pointing to perceived stigma resulting from being on a program.

The investment environment is generally conducive to U.S. investment. U.S. companies, however, continue to have a relatively small commercial presence in Zambia, with one exception. Foreign direct investment remains dominated by large mining investments from Canada, Australia, UK, China, and the United States, in addition to large infrastructure and other projects performed almost entirely by Chinese companies. Agriculture and mining continue to be the headlining sectors of Zambia's economy and, while U.S. companies continue to incrementally grow their presence in the agricultural sector, new, large-scale agricultural investments remain pending. While the GRZ has made some improvements to the business environment over the past decade, cumbersome administrative procedures, instability and unpredictability of laws, the high cost of doing business due to poor infrastructure, the high cost of finance, inadequate human resources, and lack of electricity remain concerns. Despite these issues, interest in foreign investment continues to be high, which should translate into growth in a number of economic sectors beyond mining, such as tourism, power generation, and agriculture, particularly if the government decides to reduce or eliminate market-distorting subsidies and implement more consistent, market-friendly policies.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2016	87 of 176	Transparency International
World Bank's Doing Business Report "Ease of Business"	2016	94 of 190	World Bank Economy Rankings
Global Innovation Index	2016	125 of 128	Global Innovation Index
U.S. FDI in partner country (\$M USD, stock positions)	2016	USD 68	BEA U.S. Direct Investment Abroad
World Bank GNI per capita	2016	USD 1300	World Bank GNI Per Capita

Openness To, and Restrictions Upon, Foreign Investment

Policies Toward Foreign Direct Investment

There are no laws or practices that discriminate against foreign investors by prohibiting, limiting, or conditioning foreign investment in any sector of the economy. The country has affirmed its commitment to fostering private sector development and attracting foreign direct investment (FDI). FDI continues to play an increasing role in Zambia's economy, contributing to increased capital inflows and overall investment. FDI is implemented through the Zambia Development Agency (ZDA) that is responsible for fostering economic growth and development in Zambia through promoting trade and investment and an efficient, effective, and coordinated private sector-led economic development strategy.

Zambia has undertaken institutional reforms aimed at improving the attractiveness of the country to investors specifically through the Private Sector Development Reform Program (PSDRP), which addresses the issues related to cost of doing business through legislation and institutional reforms, and the Millennium Challenge Account (MCA) that addresses issues relating to transparency and good governance.

Conversion and Transfer Policies

Remittance Policies

There are no recent changes or plans to change investment remittance policies that tighten or relax access to foreign exchange for investment remittances. There are no restrictions on converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, or lease payments) into freely usable currency and at legal market clearing rate. Foreign investors can remit through a legal parallel market, including one utilizing convertible, negotiable instruments such as dollar-denominated government bonds issued in lieu of immediate payment in dollars. There

are no limitations on the inflow or outflow of funds for remittances of profits or revenue and there is no evidence to show that Zambia engages in currency manipulation tactics. Zambia is a member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), which conducted an assessment of the implementation of anti-money laundering and counter-terrorist financing (AML/CTF) measures in Zambia in November 2007. ESAAMLG coordinates with other international organizations concerned with combating money laundering, studying emerging regional typologies, developing institutional and human resource capacities to deal with these issues, and coordinating technical assistance where necessary. Zambia has demonstrated some commitment to establish a strong AML/CTF framework. The enactment of the Prohibition and Prevention of Money Laundering Act and the Anti-Terrorism Act, as well as the establishment of the Anti-Money Laundering Investigations Unit (AMLIU) and the Financial Intelligence Center as the sole designated national agency mandated to handle AML/CTF and other serious offences, reflect this commitment.

Foreign Exchange

There are currently no restrictions or limitations placed on foreign investors converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, and lease payments) into freely usable currency and at a legal market-clearing rate. Investors are free to repatriate capital investments, as well as dividends, management fees, interest, profit, technical fees, and royalties. Foreign nationals can also transfer and/or remit wages earned in Zambia. Funds associated with investments can be freely converted into internationally convertible currencies. The Bank of Zambia pursues a flexible exchange rate policy, which generally allows the currency to freely float, though it has intervened heavily to support the kwacha since 2014, drawing an estimated over \$1.75 billion from reserves to do so. Transfers of currency are protected by Article VII of the International Monetary Fund (IMF) Articles of Agreement.

In March 2014, the government announced the revocation of Statutory Instrument (SI) Number 33 (mandating use of the kwacha for domestic transactions) and SI Number 55 (monitoring foreign exchange transactions). The government experienced challenges implementing these statutory instruments and – along with problems of fiscal management and weakening global copper prices – the SIs were perceived as undermining confidence in Zambia’s economy and currency, leading to sharp depreciation of the kwacha. The decision to revoke the SIs was widely praised in the business community. The kwacha, however, has remained weak in historical terms against the dollar and currently trades at about 9.4 kwacha per dollar.

Over-the-counter cash conversion of the local currency, the kwacha, into foreign currency is restricted to a \$5,000 maximum per transaction for account holders and \$1,000 for non-account holders. No exchange controls exist in Zambia for anyone doing business as either a resident or non-resident. There are no restrictions on non-cash transactions.

Expropriation and Compensation

Investments may only be legally expropriated by an act of Parliament relating to the specific property expropriated. Although the ZDA Act states that compensation must be at a fair market value, the method for determining fair market value is ill-defined. Compensation is convertible at the current exchange rate. The ZDA Act also protects investors from being adversely affected by any subsequent changes to the Investment Act of 1993 for seven years from their initial investment.

Leasehold land, which is granted under 99-year leases, may revert to the government if it is ruled to be undeveloped after a certain amount of time (generally five years). Land title is sometimes questioned and land is re-titled to other owners. In 2012, the GRZ took several actions similar to expropriation, reversing the privatization of one state-owned enterprise (SOE) and terminating two government concessions. In all three instances, full compensation for GRZ actions has yet to be finalized, though GRZ figures for 2012 foreign direct investment reflect a significant offset for the return of foreign acquisition capital. In January 2012, the GRZ reversed the June 2010 sale of the SOE Zambia Telecommunications Company (Zamtel) to Libya’s LAP GreenN, which acquired a 75 percent shareholding in Zamtel for \$257 million. The GRZ unilaterally reversed the sale and re-appropriated the telecom company, citing corruption and flaws in the privatization process. LAP GreenN has since challenged the decision in the courts of law.

In November 2012, the GRZ also terminated its concession agreement with the privately-owned Zambia Border Crossing Company to manage the Kasumbalesa border post with the Democratic Republic of the Congo, along with five other border concessions at Jimbe (with Angola), Nakonde (with Tanzania), Chanida (with Mozambique), Kipushi (with Congo DR), and Mwami (with Malawi). The GRZ cited smuggling and loss of revenue in terminating the concession, which had been awarded as a PPP on a design, build, and operate basis.

There is no pattern of discrimination against U.S. persons by way of an illegal expropriation by the government or authority in the country. There are no high-risk sectors prone to expropriation actions.

Dispute Settlement

ICSID Convention and New York Convention

Zambia is party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on June 7, 1959, and party to the Convention of the Settlement of Investment Disputes between States and Nationals of Other States of 1965, which entered into force on October 14, 1966. These are being enforced through the Investment Disputes Convention Act Cap 42 of the Laws of Zambia.

Zambia is also a member state of the International Centre for the Settlement of Investment Disputes (ICSID Convention) and a signatory to the United Nations Commission of International Trade Law (UNCITRAL Model Law). In 2002, Zambia ratified the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York convention).

Investor-State Dispute Settlement

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). Over the past 10 years, previous disputes involved delayed payments from state-owned enterprises to U.S. companies for goods and services and the delayed deregistration of a U.S.-owned aircraft that was leased to a Zambian airline company that went bankrupt.

Relatively few investment disputes involving U.S. companies have occurred since Zambia's economy was liberalized following the introduction of multi-party democracy in 1991. The Zambian Investment Code stipulates that claimants must first file internal dispute settlements with the Zambian High Court. Failing that, the parties may go to international arbitration, which the state recognizes as binding.

In practice, there are also few recorded cases where Zambia has used sovereignty provisions to countermand its international obligations related to investment and settlement of disputes arising out of asset expropriation. Recently, in November 2016, under the provisions of section 84B of the Banking and Financial Services Act (BSFA) chapter 387 of the Laws of Zambia, the Bank of Zambia took possession of Intermarket Banking Corporation Zambia Limited (IBC), stating the bank had become insolvent. Currently, IBC is restructuring to restore its solvency and operations.

International Commercial Arbitration and Foreign Courts

The Zambian Arbitration Act Number 19 of 2000 applies to both domestic and international arbitration and is based on the UNCITRAL model law. Arbitration agreements must be in writing and parties may appoint an arbitrator of any nationality, gender, or professional qualifications. Foreign lawyers cannot be used to represent parties in domestic or international arbitrations taking place in Zambia. There are no facilities that provide online arbitration, although there is an arbitral institution, the Zambia Institute of Arbitrators, which promotes and facilitates arbitration and other forms of alternate dispute resolution (ADR). Arbitration awards are enforced in the High Court of Zambia, and judgments enforcing or denying enforcement of an award can be appealed to the Supreme Court.

Foreign arbitral awards are recognized and enforced in Zambia under the Arbitration Act, Section 27 of which provides for the recognition and enforcement of foreign arbitral awards. It takes about 18 weeks to enforce a foreign award. The United States has a Bilateral Investment Treaty with Zambia through the African Growth and Opportunity Act (AGOA) and through the Common Market for Eastern and Southern Africa (COMESA) of which Zambia is a member. There have been no claims under these agreements.

Performance Requirement and Investment Incentives

The ZDA Act provides for a number of incentives available to both local and foreign investors. Under the Income Tax Act, Chapter 323 or the Customs and Excise Act, Chapter 322 of the Laws of Zambia, investors who invest not less than \$500,000 in the Multi Facility Economic Zone, an industrial park, a priority sector, or invest in a Rural Enterprise under the ZDA Act, are entitled to the following fiscal incentives:

- A corporate tax rate of 0% for 5 years from commencement of operations,

- Taxation on only 50% of profits in year 6 through year 8 from commencement of operations and only 75% for years 9 and 10,
- 5-year exemption on dividend taxes following the first year of declaration,
- 5-year customs duties exemption on imported machinery and equipment, and
- Improvement allowance of 100% of capital expenditure on improvements or upgrading of infrastructure.

In addition to fiscal incentives, the above category of investors along with those who invest an amount not less than \$250,000 in any sector or product not provided for as a priority sector or product under the Act are entitled to investment guarantees and protection against state nationalization along with free facilitation for application of immigration permits, secondary licenses, land acquisition, and utilities. For major investments, the Minister of Finance may specify additional incentives for investment in an identified sector or product of not less than \$10 million or equivalent in convertible currency in new assets that qualify for those incentives.

Performance and Data Localization Requirements

Although performance requirements are not imposed, authorities expect commitments made in applications for investment licenses to be fulfilled. No requirements currently exist for local content, equity, financing, employment, or technology transfers. The government does not impose offset requirements or impose conditions on permission to invest in specific geographic area or local content, but investors are encouraged to employ local nationals.

The GRZ favors the use of local workers for unskilled labor as well as for skilled middle or senior management workers. Under the ZDA Act, any foreign investor who invests a minimum of \$250,000 or its equivalent and employs a minimum of 200 employees at certain technical or managerial levels is entitled to a self-employment permit or resident permit. The government is considering allowing foreigners to obtain work permits only for rare skills not found in Zambia. While not implemented yet, it is happening in practice with the occasional denial of work permit renewals. The ZDA assists the qualifying investor to obtain work permits for up to five expatriate employees. In practice, however, some foreign companies have had difficulty securing these permits, especially smaller-scale investors. Any entry permit holder can apply to be granted a dependent's pass for each of his dependents. The ZDA is also in the process of developing standards regarding investment performance benchmarks that it seeks to put in place within an MFEZ in order to assist the government in monitoring company performance against the commitments made when investment incentives are granted.

The GRZ does not follow forced localization, but encourages investors where possible to use domestic content in goods or technology if available. There is no requirement for foreign IT providers to turn over source code and or provide access to surveillance. The telecommunications sector is governed by the Information and Communications Technology Act No. 15 of 2009 (ICT Act) and falls under the Ministry of Transport, Works, Supply and Communications.

Right to Private Ownership and Establishment

The Zambia Development Agency (ZDA) Act (which is being reviewed by the cabinet to bring it in line with the proposed Commerce Trade and Industries policy) does not discriminate against foreign investors, and all sectors are open to both local and foreign investors. Foreign and domestic private entities have a right to establish and own business enterprises and engage in all forms of remunerative activities, and no business ventures are reserved solely for the government. Although private entities may freely establish and dispose of interests in business enterprises, investment board approval is required to transfer an investment license for a given enterprise to a new owner. The government requires all internationally licensed firms operating a domestic cellular telephone network to offer ten percent of shares on the Lusaka Stock Exchange, per commitments made by agreement prior to entering the market. Telecom investors are required to disclose certain proprietary information to the ZDA as part of the regulatory approval process. Further information regarding information and communication regulation can be found at the website of the [Zambia Information and Communication Technology Authority](#).

The ZDA board screens all investment proposals and usually makes its decision within 30 days. The reviews appear routine and non-discriminatory and applicants have the right to appeal the investment board decisions. An investment application is subjected to a screening mechanism to determine: the extent to which the proposed investment will help create employment and the development of human resources, the degree to which the project is export oriented, the impact the proposed investment is likely to have on the environment and, where necessary, proposed environmental mitigation activities in

accordance with the Environmental Protection and Pollution Control Act, the possibility of the transfer of technology, and any other considerations the Board considers appropriate.

Other Investment Policy Reviews

There has not been an investment policy review since one conducted in 2012 through the OECD. That review noted it was the first in sub-Saharan Africa conducted on the basis of the OECD Policy Framework for Investment. The OECD review made the following recommendations regarding Zambia's investment environment: 1) develop a harmonized national investment policy; 2) take better advantage of the investment promotion and facilitation options available; 3) undertake a cost-benefit analysis with regard to fiscal incentives; 4) improve the consultative mechanisms for policy development; 5) strengthen the framework for Public-Private Partnerships (PPPs); 6) strengthen the oversight and enforcement mechanisms of the regulatory framework; and 7) develop mechanisms to channel industry demands for human resource development.

Following the review, the government has been considering new investment reforms, including development of a harmonized investment policy and a review of its tax incentive system and framework for PPPs. There is currently an industrial policy which is part of the Commerce Trade and Industrial policy that is being reviewed by cabinet. Zambia is also committed to drawing up an inclusive Green Growth Strategy.

Report found at the [OECD Zambia Investment Policy Review website](#).

The GRZ conducted a trade policy review through the WTO in June 2016. The report found that Zambia, a Least Developed Country (LDC), recorded relatively strong economic growth at an average rate of 6.6% per year up to 2015. According to the World Bank analytical classification, it became a lower-middle income country in 2012 with a GNI per capita of US\$1,680. This performance was mainly attributed to growing demand for copper (the main export product) and its spillover effects on some other sectors such as transport, communications, and wholesale and retail trade. Buoyant construction activity and higher agricultural production also helped.

The trade policy review report of 2016 reached the following conclusions: government will continue to implement programs and initiatives directed at attaining inclusive growth and job creation, pay particular attention to macroeconomic stability, diversification of the economy, support to small and medium enterprises (SMEs), engagement with cooperating partners, and promotion of investment. Zambia will continue to use bilateral, regional, and multilateral frameworks to support the growth and development of the economy.

Report found at the [World Trade Organization Trade Policy Review website](#).

In principle, Zambia's economic policies are directed at creating an enabling environment that is supportive of the private sector as an engine of growth and sustainable development. The major policy thrust is economic diversification and production of value added products for inclusive growth through employment and wealth creation. Therefore, interventions are multi-sectoral and multi-pronged with a view to addressing both external and internal factors affecting the Zambian economy. Key among them are macro-economic stability, low inflation, infrastructure development, promoting access to social amenities, encouraging Foreign Direct Investment, and promoting access to markets and capital finance as well as promoting efficiency, effectiveness, and transparency in the use of national resources.

Recognizing that one obstacle for Zambian manufactured products to access global markets is the lack of adherence to systematic and internationally acceptable quality standards, the government developed its National Quality Policy in 2011. Its goal was to establish a national quality infrastructure, to ensure locally produced goods and services are recognized and accepted by Zambia's trading partners by 2020. Agriculture remains an important sector in Zambia, providing livelihood for over 70% of the population, and contributing 10% to GDP and to total export earnings. Manufacturing remains underdeveloped, while services, such as tourism, finance, transport, and communication, continue to contribute over two-thirds of Zambia's GDP.

During the review period, government programs continued to be implemented through the Sixth National Development Plan (2011-2015) and the Revised Sixth National Development

Plan (R-SNDP) 2013-2016 which are anchored to the country's Vision 2030 of becoming a "prosperous middle-income country by 2030." The R-SNDP focuses on public capital investments that have a bias towards rural development and job creation.

Business Facilitation

The Zambian government has undertaken economic reforms to improve its business facilitation process and attract foreign investors, including steps to support transparent policymaking and to encourage competition. The impact of these progressive policies, however, has been undermined by persistent fiscal deficits and widespread corruption. Business surveys generally indicate that corruption in Zambia is a major obstacle for conducting business in the country. Given these reasons, companies are recommended to use a specialized public procurement due diligence tool in order to help mitigate the costs and risks of corruption involving public procurement processes in Zambia.

The ZDA in collaboration with the Ministry of Trade Commerce and Industry launched a One-Stop Shop in 2010. The One-Stop Shop (OSS) facility allows for customers or clients to access a multitude of services under one roof by providing both local and foreign investors with fast, efficient, and business friendly registration service thus reducing the cost of doing business. An investor only contacts one entity to obtain all the necessary paperwork in one streamlined and coordinated process. This means investors, both local and foreign, are provided with incentives such as centralized organizations that attend to their needs comprehensively, without them having to move from one stakeholder agency to another. The government aimed to establish these facilities in each province but has not accomplished that. [One Stop Shop at Zambia Development Agency website.](#)

The following are the requirements for registering a foreign company in Zambia:

- 1) At least one and not more than nine local directors must be appointed as directors of a foreign company. At least one local director of the company must be resident in Zambia, and if the company has more than two local directors, more than half of them shall be residents of Zambia.
- 2) There must be at least one documentary agent (a firm, corporate body registered in Zambia or an individual who is a resident in Zambia).
- 3) A certified copy of the Certificate of Incorporation from the country of origin must be attached to Form 46.
- 4) The charter, statutes, regulations, memorandum and articles, or other instrument relating to a foreign company must be submitted.
- 5) The Registration Fee of K4,166 (about \$417.00) must be paid.
- 6) The issuance and sealing of the Certificate of Registration marks the end of the process for registration.

This information can also be found at the web address of the [Patents and Companies Registration Agency \(PACRA\).](#)

Outward Investment

Through ZDA, the government continued to undertake a number of activities to promote investment through provision of fiscal and non-fiscal incentives, establishment of Multi-Facility Economic Zones (MFEZs), the development of SMEs as well as the promotion of skills development, productive investment, and increased trade. However, there is no incentive for outward investment nor is there any known government restriction on domestic investors from investing abroad.

Transparency of the Regulatory System

The GRZ has made strides, in principle, toward introducing transparent policies to foster competition, although complaints arise from time to time. In the agricultural sector, government interventions through the purchase of maize (corn) at subsidized prices, the distribution of subsidized fertilizer, and controls of exports of maize and ground maize continue to undercut the private sector's capacity to engage competitively in these markets. The unpredictability of import and export bans on commodities, especially on maize and other grains is a deterrent to private sector participation in commodity markets. There are no informal regulatory processes managed by non-governmental organizations or private sector associations that discriminate against foreign investors. The government has also adopted the use of Regulatory Impact Assessment (RIA) as part of the policy and legislative making process. The introduction of RIA is therefore expected to improve the decision making process, create a platform for Public Private Dialogue and healthy debate on economic development laws and policies, and ultimately improve the quality of regulation. Under the Business Regulatory Act No. 3 of 2014, the law requires that regulators consider alternatives to proposed regulations and these are part of the consultations and the RIA Report.

In 2015, the government introduced the Output Based Budget (OBB) as a tangible outcome of implementing the Planning and Budgeting Policy that requires a more results-oriented budget in line with national development priorities. The OBB also provides more relevant information for assessing government's estimates of revenue, expenditure, and performance. In

addition, government began rolling out the Treasury Single Account System in 2015; it has not yet achieved full utilization by all budget entities. This system is a unified structure of bank accounts which gives a consolidated position of the government's cash resources. It aims to improve the government's ability to efficiently and effectively manage public financial resources by refining current payments processes and eliminating redundant procedures between itself and its clients.

Proposed laws and other statutory instruments are usually not vetted with interest groups or published in draft form for public comment before coming into effect. The proposed regulations as bills are published on the [National Assembly of Zambia website](#) for public viewing. Hard copies of the documents are delivered by courier to the stakeholders' premises/mail boxes.

Opportunities for comment on proposed laws and regulations sometimes exist through trade associations, such as the Zambia Chamber of Commerce and Industry, Zambia Association of Manufacturers, Zambia Chamber of Mines, Zambia Business Forum, and American Chamber of Commerce in Zambia. Stakeholder consultation in developing legislation and regulation has generally been poor under the current administration; however, the government recently established a Business Regulatory Review Agency (BRAA) with the mandate to formalize public notice and comment requirements for new regulations. The BRAA, established after the enactment of the Business Regulatory Act in 2014, strives to improve the quality of regulations and ensure cost effective and efficient business regulation in Zambia.

Although the underpinnings of 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, 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 case 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.

International Regulatory Considerations

While the government has made gains in improving the business and operating environment for companies, especially for foreign investors, weaknesses in the regulatory framework remain apparent. Zambia is signatory to a range of international treaties that govern international investment and has signed several bilateral investment treaties (BITs), but still lacks harmonized legislation for investment built on a national investment policy.

Zambia is engaged in regional and international integration programs aimed at expanding its trading links and volume to spur further diversification. Zambia is a member of a number of regional and international groupings aimed at expanding markets for domestically produced goods and services. These include membership in both Common Market for Eastern and Southern Africa (COMESA), which is currently a customs union headquartered in Zambia with a mandate for the provision of the adoption of regulations to regulate competition within the member states in order to strengthen the process of economic integration within the COMESA market. Zambia is also a part of the Southern Africa Development Community (SADC) Free Trade Areas (FTA). Zambia is also an active participant in the establishment of the Tripartite Free Trade Area between COMESA, SADC, and the East Africa Community (EAC).

At the multi-lateral level, Zambia is a member of the World Trade Organization (WTO) and its incentives scheme is transparent and has been included in the WTO's trade policy reviews, to which all WTO members including Zambia have access. The incentive packages are also subject to reviews by the Board of the ZDA and to periodic reviews by the Parliamentary Accounts Committee. Under the Cotonou agreement, Zambia has benefited from duty-free and quota-free market access to the European market and from the Generalized System of Preference (GSP) in the U.S. market under AGOA.

Membership in the above organizations has led to improved market access under preferential trade terms for the private sector that can invest and take advantage of larger foreign markets. The major challenge has been the low productive capacity of the private sector and its difficulty to meet the competitive demands and standards of regional and international markets so as to take advantage of increased market access.

Legal System and Judicial Independence

The Zambian legal framework consists of a multiplicity of customary laws and statutory laws administered through a single formal court system. The statutory laws are derived from the British legal system with some of the British legislation still deemed to be in full force and effect within Zambia. The customary laws, which remain in a state of flux, are not written or

codified, although some of them have been unified under Acts of Parliament. No clear definition of customary law has been developed by the courts nor has there been any systematic development of this subject.

Zambia has a written commercial law. The Commercial Court, a division of the High Court, deals with disputes arising out of commercial transactions. All commercial matters are registered in the Commercial registry and judges dealing with matters in the Court are experienced in commercial law. Appeals from the Commercial Court, based on the amended January 2016 constitutional reforms, now fall under the recently established Court of Appeals, comprised of eight judges. Constitutional appeals would default to the Constitutional Court, another new judicial body. The Foreign Judgments (Reciprocal Enforcement) Act, Chapter 76, of the Laws of Zambia (cited as “the Act”) makes provision for the enforcement in Zambia of judgments given in foreign countries that accord reciprocal treatment. The registration of a foreign judgment is not automatic. Although Zambia is a state party to international human rights and regional instruments, it has a dualist system of jurisprudence that considers international treaty law as a separate system of law from the domestic law. Domestication of international instruments by Acts of Parliament is necessary for these to be applicable in the country but there are no systematic efforts to domesticate international instruments.

The courts in Zambia are somewhat independent, but contractual and property rights enforcement is weak and final court decisions can take a prohibitively long time. At times, the government has exerted pressure on the judiciary in politically controversial cases. Regulations or enforcement actions are appealable and adjudication depends on the matter at hand and the principal law or act governing the regulations. Some actions can be handled through commercial arbitration, tribunals, or ADR (Alternative Dispute Resolution). Also, courts have powers to determine whether a matter can be handled under any of these mechanisms.

Laws and Regulations on Foreign Direct Investment

The major laws affecting foreign investment in Zambia include:

- The Zambia Development Agency Act of 2006, which offers a wide range of incentives in the form of allowances, exemptions, and concessions to companies.
- The Companies Act of 1994, which governs the registration of companies in Zambia.
- The Zambia Revenue Authority’s Customs and Excise Act, Income Tax Act of 1966 and the Value Added Tax of 1995 provide for general incentives to investors in various sectors.
- The Employment Act Cap 268, Zambia’s basic employment law that provides for required minimum employment contractual terms.
- The Immigration and Deportation Act Cap 123, regulates the entry into and residency in Zambia of visitors, expatriates, and immigrants.

Competition and Anti-Trust Laws

Market competition operates under a weak regulatory framework although there is freedom of pricing, currency convertibility, freedom of trade, and free use of profits. A fairly strong institutional framework is provided only for strategic sectors linked to the mining industries and also for large-scale commercial farming. The Competition and Consumer Protection Commission (CCPC) is a statutory body established with a unique dual mandate to protect the competition process in the Zambian Economy and also to protect consumers. The CCPC was established in 1997 under the name Zambia Competition Commission (ZCC). The name was then changed in 2010 to Competition and Consumer Protection Commission (CCPC) following the enactment of the new act called the Competition and Consumer Protection Act (CCPA) No. 24 of 2010 and repeal of the old act. The mandate of the Commission cuts across all economic sectors. The CCPC regulates the Zambian economy to avoid restrictive business practices, abuse of dominant position of market power, anti-competitive mergers and acquisitions, and cartels as these erode consumer welfare. The Commission is also mandated to enhance consumer welfare. In general terms, therefore, the principal aim of the Commission is to safeguard competition and ensure consumer protection but it has been described as ineffectual and lacks legislative influence.

The Zambian competition law applies to all entities, regardless of whether private, public, or foreign. Although the Commission largely opens investigations when a complaint has been filed with it, it opens investigations on its own initiative as well. Zambian

competition law can also be enforced by civil lawsuits in court by private parties and criminal prosecution by the Commission is possible in cartel cases without the involvement of the Director of Public Prosecution under the 2010 Act. However it is further perceived that the Commission may sometimes be restricted in applying the competition law against government agencies and State Owned Enterprises (SOEs), especially those protected by other laws. There has been no known competition case within the past year.

Bankruptcy Regulations

The Bankruptcy Act Cap 82 of the Laws of Zambia provides for the administration of bankruptcy of the estates of debtors and makes provision for punishment of offenses committed by debtors. It also provides for reciprocity in bankruptcy proceedings between Zambia and other countries and provides for matters incidental to and consequential upon the foregoing. This applies to individuals, local, and foreign investors. Bankruptcy judgments are made in local currency, but can be paid out in any internationally convertible currency. Under the Bankruptcy Act, a person can be charged as a criminal. A person guilty of an offense declared to be a felony or misdemeanor under the Bankruptcy Act in respect of which no special penalty is imposed by this Act shall be liable on conviction to imprisonment for a term not exceeding two years.

Protection of Property Rights

Real Property

Property rights and the regulation of property are well defined in principle, but face problems in practical implementation. Contractual and property rights are weak. Courts are often inexperienced in commercial litigation and are frequently slow in reaching their decisions. The ZDA Act ensures investors' property rights are respected. Secured interests in property both movable and real are recognized and enforced. Property can be owned individually, jointly in undivided shares, or by an entity such as a company, close corporation or trust, or similar entity registered outside Zambia. The ZDA Act provides for legal protection and facilitates acquisition and disposition of all property rights such as land, buildings, and mortgages.

All land in Zambia vests in the president on behalf of the people of Zambia. The president may alienate land vested in him to any Zambian. The Lands Act, Chapter 184 of the Laws of Zambia, places a number of restrictions on the president's allocation of land to foreigners. The ZDA Act makes provision for ownership of land by investors. The ZDA, in consultation with the Ministry of Lands, assists an investor in identifying suitable land for investment, as well as assisting the investor to apply through the Ministry of Lands. While all land is vested in the president, it is worth noting that traditional chiefs have jurisdiction over traditional or customary land.

The Commissioner of Lands verifies that properties can be transferred by checking if ground rent has been paid and who is buying. It is important to note that the land in Zambia belongs to the state, and can only be purchased by Zambians, Zambian companies, established residents, or investors. Land held under customary tenure has no title, but where a sketch plan of the area exists, the chief can give written consent to an investor and a 14-year lease can be obtained for traditional land.

Despite Zambia having abundant land for agriculture and other purposes, the process of land acquisition and registration is a major obstacle for investors. About 85 percent of available land is under traditional ownership. Its acquisition involves negotiations with traditional leaders who have to balance the demands of their subjects with the pressure to convert land for commercial purposes. Most available land has not been surveyed and mapped and, where this has been done, records are often outdated or difficult to retrieve from the Ministry of Lands. In March of 2017, the president expressed concern that land was being given to foreigners at an alarming pace by traditional chiefs. He called for an inquiry into this by the Ministry of Lands.

The Ministry of Lands is centralized in Lusaka and faces problems of poor record keeping and slow processing of title deeds. To address these challenges the government, with the support of donor partners, has been working to reform land policy, including modernization of the Lands Department at Ministry of Lands, establishment of Land Banks, establishment of a Land Development Fund, demarcation of Multi Facility Economic Zones and industrial parks, and development of farming blocks.

There are also many poor Zambians living in urban areas on statutory land who are not aware of the ways in which they can secure their rights to land, nor do they have the means to ensure that securing the rights to land becomes a reality as acquiring titles is expensive, time consuming and centralized. Some of these people experience insecurity of tenure due to non-adherence to proper land administration procedures and a system that is not transparent as some civic leaders, cadres, and traditional leaders allocate and sell land without following the required procedures. As such, many poor Zambians living in urban areas

find refuge in unplanned settlements, which in some cases are not approved in accordance with Zambian law. This has led to the continued proliferation of informal and unplanned settlements, illegal land allocations, land grabbing, and misplacement of resources, which slow development.

People living on both customary land and in unplanned settlements therefore do so with a sense of insecurity of land tenure due to the absence of documentation to support land ownership coupled with a poor land administration system. Civil and traditional leaders have demonstrated little transparency and accountability in land governance. Most often, the community members have little knowledge about neither their land rights nor how they can protect themselves.

Protection of Intellectual Property Rights

Intellectual property laws in Zambia may cover such areas as domain names, traditional knowledge, transfer of technology, patents/copyrights, etc. Zambia is also party to several international intellectual property agreements. The legal framework for trademark protection in Zambia is adequate, however, enforcement of intellectual property rights is weak and courts have little experience with commercial litigation. Copyright protection is limited and does not cover computer applications. Currently, there are no reform bills pending for enactment. Although there are many pirated and counterfeit goods in Zambia, the main ones are: DVDs, CDs, audio-visual software, infant milk, pharmaceuticals, body lotions, motor vehicle spare parts (such as tires and brake pads), beverages, cigarettes, toothpaste, electrical appliances, fertilizer, pesticides, and corn seed. Recent enforcement has been effective against pirated musical and video recordings, cosmetics, and software. Small-scale trademark infringement occurs in connection with some packaged goods utilizing copied or deceptive packaging.

The Zambia Police Service Intellectual Property Unit (IPU) carries out raids in shops and markets to confiscate counterfeit and pirated materials. The IPU tracks and reports on seizures of counterfeit goods but no consolidated record is available. There are fines for revealing proprietary business information, but they 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 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. Zambia is not listed in USTR's Special 301 report nor is it listed in the notorious market report.

The Ministry of Commerce, Trade, and Industry and the Patents and Company Registration Office (PACRA) are the leading institutions responsible for the implementation of intellectual property laws in Zambia. The industrial property registration system at PACRA underwent an upgrade, linking its electronic documentation management system to the World Intellectual Property Organization's (WIPO's) WIPOSACN, which provides for digitization of intellectual property records. Even though major strides have been made in Zambia in the fight against piracy and counterfeiting, more still needs to be done. For example, Zambia must widen the scope of its cooperation in the fight against IP crimes by cooperating with international organizations such as WIPO, the World Health Organization (WHO), the Food and Agriculture Organization (FAO), and others. It is also necessary to continually train IP crimes investigators so that they can be ahead of sophisticated pirates and counterfeiters.

For additional information about treaty obligations and points of contact at local IP offices please see [WIPO's country profiles](#).

Resources for Rights Holders

Contact at Post:

Joseph Gibson
Commercial Assistant
Tel: +260 211 357 129
Email: Gibsonjg@state.gov

Country/Economic Resources:

[American Chamber of Commerce in Zambia](#)
[U.S. Embassy in Zambia - Commercial Opportunities](#)
[U.S. Embassy in Zambia - Legal Assistance](#)

Efficient Capital Markets and Portfolio Investment

Government policies generally facilitate the free flow of financial resources to support the entry of resources in the product and factor market. Banking supervision and regulation by the Bank of Zambia (BoZ) has improved slightly over the past few years. Improvements include revoking licenses of some insolvent banks, denying bailouts, limiting deposit protection, strengthening loan recovery efforts, and upgrading the training of and incentives for bank supervisors. Although some improvements have been registered in recent years, credit to the private sector is expensive and readily available only for low-risk investments. One factor inhibiting lending is a culture of tolerating loan default, which many borrowers view as a minor transgression. In addition, high returns on government securities have historically encouraged commercial banks to invest heavily in government debt, to the exclusion of financing productive private sector investments.

The Lusaka Stock Exchange (LuSE) established in 1993 is structured to meet international recommendations for clearing and settlement system design and operations. There are no restrictions on foreign participation in the LuSE, and foreigners may invest in stocks on the same terms as Zambians. The LuSE has offered trading in equity securities since its inception and, in March 1998, the LuSE became the official market for selling Zambian 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 Securities Act of 1993 and enforced by the Securities and Exchange Commission of Zambia. Secondary trading of financial instruments in the market is very low or non-existent in some areas. As of 2017, there are 22 companies listed on the LuSE with a portfolio worth about 58 billion Kwacha (\$6.4 billion).

Existing policies facilitate the free flow of financial resources into the product and factor markets. The government and the central bank respect IMF Article VIII by refraining from restrictions on payments and transfers for current international transactions. Credit is allocated on market terms and foreign investors can get credit on the local market, although local credit is relatively expensive and most investors prefer to get credit from outside the country.

Money and Banking System

The financial sector is made up of three sub-sectors according to the financial sector supervisory authorities. The banking and financial institutions sub-sector is supervised by the Bank of Zambia, the securities sub-sector by the Securities and Exchange Commission, and the pensions and insurance sub-sector by the Pensions and Insurance Authority. Zambia's banking sector is considered healthy and relatively well-developed in the African context, although the financial sector remains highly concentrated. There are currently 18 banks in Zambia with the largest four banks holding nearly two-thirds of total banking assets. The dominance of the four largest banks in deposits and total assets has been diluted by increased market capture of smaller banks and new industry entrants, an indication of growing competitive intensity in this segment of the banking market. Government policies generally facilitate the free flow of financial resources to support the entry of resources in the product and factor market. There continues to be a steady increase in electronic banking and related services over the last few years. Banking supervision and regulation by the BoZ has improved slightly during this period. The Banking and Financial Services Act, Chapter 387 of the Laws of Zambia, and the Bank of Zambia Act, Chapter 360 of the Laws of Zambia govern the banking industry. The Bank of Zambia regulates the banking industry.

The Bank of Zambia's current benchmark lending rate is 14 percent while the commercial lending rate ranges between 42 to 46 percent, which is among the highest in the region. The persistence of high interest rates led the government to urge commercial banks to reduce their lending rates in order to remove the constraint on private sector growth and the economy as a whole. One factor inhibiting more affordable lending is a culture of tolerating loan default, which many borrowers view as a minor transgression. Despite the licensing of Zambia's first credit rating agency in 2007 – Credit Reference Bureau Africa Limited – lender data reporting remains erratic and credit rating information is not widely available. In addition, high returns on government securities have historically encouraged commercial banks to invest heavily in government debt, to the exclusion of financing productive private sector investments. Banking officials acknowledge that they need to upgrade the risk assessment and credit management skills within their institutions in order to better serve borrowers. At the same time, they argue that widespread financial illiteracy limits borrowers' ability to access credit. Banks provide credit denominated in foreign currency only for investments aimed at producing goods for export. Banks provide services on a fee-based model and banking charges are generally high. Home mortgages are available from several leading Zambian banks, although interest rates are still very high.

The government asked commercial banks in early 2017 to lend to government at zero percent on the basis that the government would not default.

Private firms are open to foreign investment through mergers and acquisitions. The Competition Consumer Protection Commission (CCPC) reviews and handles big mergers and acquisitions. The High Court of Zambia may reverse decisions made by the Commission. Under the Competition and Consumer Protection Act No. 24 of 2010, foreign companies without a presence in Zambia and taking over local firms do not, however, have to notify their transactions to the Commission as it has not established disclosure requirements for foreign companies setting up or acquiring existing businesses in Zambia. In the past years, some mergers and acquisitions include Bharti Airtel's purchase of Zain/Celtel Zambia, the purchase through privatization of Zamtel by LAP GreenN (later revoked), the acquisition of a huge American multinational energy corporation's assets in Zambia by Engen Petroleum, a large American retailer takeover of Game Stores through the acquisition of Massmart Holdings Limited of South Africa, Barrick Gold Corp takeover of Equinox Lumwana Copper Mines, the purchase of BP shares in Southern Africa, including BP Zambia by Puma Energy, and the Jinchuan Group Limited takeover of Metorex Chibuluma Copper Mine.

Sovereign Wealth Funds

The GRZ had planned to launch a Sovereign Wealth Fund following the 2014 reincorporation of the IDC parastatal holding company, but has yet to set up the fund. At present, Zambia does not have a Sovereign Wealth Fund. The 2016 National Budget restated the government's intention to establish a Sovereign Wealth Fund with then-Finance Minister Alexander Chikwanda saying efforts had been stepped up toward setting up the SWF in Zambia with a technical committee established, comprising technocrats from the ministry of finance, the central bank and the industrial development bank to ensure its operation was a success. The 2017 budget made no similar mention of plans to establish a Sovereign Wealth Fund.

Competition from State-Owned Enterprises

There are few SOEs remaining in Zambia, and all have serious operational and management challenges. For example Zambia Electricity Supply Corporation (ZESCO) Ltd is responsible for almost all generation, transmission, and distribution of electricity in Zambia. Zambia has two categories of SOEs, those incorporated under the Companies Act and those established by particular statutes, referred to as statutory corporations. There is a published list of SOEs in the Auditor General's annual reports; SOE expenditure on research and development is not detailed. The SOEs are governed by Boards of Directors that are appointed by government, with consultations and participation of the private sector. Their independence, however, is limited as most boards are comprised of government officials as a majority and board members appointed by the line minister from the private sector or civil society can be removed.

In principle, SOEs do not enjoy preferential treatment by virtue of government ownership, however, they may obtain protection where they are not able to compete or face adverse market conditions. The Zambia Information Communications Authority Act has a provision restricting the private sector from undertaking postal services that would directly compete with the Zambia Postal Services. Zambia is not party to the Government Procurement Agreement (GPA) within the framework of the World Trade Organization (WTO); however, private enterprises are allowed to compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations such as licenses and supplies.

SOEs can and do purchase goods or services from the private sector including foreign firms. SOEs are not bound by the Government Procurement Agreement and can procure their own goods, works, and services. SOEs are subject to the same tax policies as their private sector competitors. SOEs are not afforded material advantages such as preferential access to land and raw materials. SOEs are audited by the Auditor General's Office, using international reporting standards. Audits are carried out annually, but delays in finalizing and publishing results are common. Controlling officers appear before a Parliamentary Committee for Public Accounts to answer audit queries. Audited reports are submitted to the president for tabling with the National Assembly, in accordance with Article 121 of the Constitution of Zambia and the Public Audit Act, Cap 378 of the Laws of Zambia.

As mentioned above, SOEs in Zambia are governed by Boards of Directors appointed by government in consultation with and including members from the private sector. The chief executive of the SOE reports to the Board chairperson. In the event that the SOE declares dividends, these are paid to the Ministry of Finance. The Board chair is informally obliged to consult with government officials before making decisions. The line minister appoints members of the Board of Directors from public

services, private sector, and civil society. Zambia strives to adhere to OECD Guidelines on Corporate Governance and the Guidelines are sufficient to ensure a level playing field between SOEs and private sector enterprises.

In 2015, the government transferred most SOEs from the Ministry of Finance to the revived Industrial Development Corporation (IDC). The move, according to the government, was to allow line ministries to focus on policy making thereby giving the IDC direct mandate and authorization to oversee SOE performance and accountability on behalf of the government. In 2016, the government stated its intent to review state owned enterprises in order to improve their performance and contribution to the treasury. The government has since directed the Industrial Development Corporation to conduct a situational analysis of all the SOEs under its portfolio with a view to recapitalize successful businesses while hiving off ones that are no longer viable. The IDC's oversight responsibilities include all aspects of governance, commercial, financing, operational, and all matters incidental to the interests of the State as shareholder.

Privatization Program

There were no sectors or companies targeted for privatization in 2016. The privatization of parastatals that began in 1991 reduced state monopolies and saw the dismantling of INDECO and the Zambia Industrial and Mining Corporation conglomerate (ZIMCO), including Zambia Consolidated Copper Mines (ZCCM). The Zambia National Commercial Bank was privatized in 2007, with Rabobank of the Netherlands holding a controlling stake of 45 percent and the government holding 22 percent. The remaining few state-owned companies, such as the Zambia Electricity Supply Company (ZESCO), have been partially privatized and placed under private sector management, with the state retaining a majority share. There is no known policy that forbids foreign investors from participating in the country's privatization programs.

In 2012, the government reversed the 2010 privatization of the Zambia Telecommunications Company (Zamtel), a 75 percent shareholding that had been sold to Libya's LAP GreenN for \$257 million. Citing corruption and flaws in the privatization process, the government unilaterally reversed the sale and re-appropriated the telecom company. LAP GreenN has since challenged the decision in the courts, and the case will be heard in a UK court. The Zambian High Court that first presided over the case ruled that it should be heard in the UK, since it is considered neutral ground. The Zambian government insists it will compensate LAP GreenN for its investment in Zamtel but cannot let ownership of the company be transferred back to the operator. The repayment of a \$103 million loan is considered to be the first step in compensating Lap GreenN over its investment in Zamtel. In 2015 the Libyan Investment Authority (LIA) also launched legal action against Zambia over the alleged nationalization of Zamtel stating that Zambia took advantage of Libya's political turmoil to nationalize assets belonging to Libya's \$66 billion sovereign fund.

Responsible Business Conduct

Zambia's economy has shown relatively strong performance since the 1990s, and private sector development reforms are expected to help maintain positive momentum. The government limits its direct involvement in business to strategic investments deemed critical for the delivery of public goods and services, and seeks to maintain high standards of consumer protection. There are no clearly formulated and well-implemented Responsible Business Conduct (RBC) policies that could help raise the contribution to society of strongly performing sectors of the economy.

Zambia is a high-performer among low-income countries in terms of RBC and scored better in the 2016-2017 Global Competitiveness Report than large economies like Nigeria. Zambia ranks 118 among 138 countries scored while Nigeria ranks 127.

The broad policy approach is that of providing the enabling environment for private sector-driven investment in economic activities. The principle adopted by the government has been to limit its direct involvement in business, in theory, to strategic investments deemed critical for the delivery of public goods and services. These mainly cover investments in physical infrastructure such as road networks, energy, and water supply systems. Other investments undertaken directly by the government are in order to improve access by the vulnerable and disadvantaged members of the population. An example of this is the Farmer Input Support Program in which the government subsidizes fertilizers and seed inputs to small-scale farmers. The government also participates in crop marketing by offering more attractive producers prices for staples like maize to small-scale farmers through the Food Reserve Agency (FRA). The subsidy program has been criticized, with critics pointing out that it favors the wealthy instead of the less fortunate, whom it was implemented to help in the first place.

Apart from involvement in strategic public investment activities, the government has placed priority focus on the implementation of legislative and regulatory reforms. Among the notable measures accompanying most investment ventures is that of making Environmental Impact Assessments (EIAs) an integral prerequisite for the approval process. For some investment sectors, such as insurance, banking, and financial services, the submission of annual audited financial statements are a licensing condition. In the case of financial services, quarterly publication of financial statements is compulsory and rigidly enforced by the BOZ.

Zambia has ratified a number of international human rights conventions, such as the Convention against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment; the Convention on the Rights of the Child; and the Convention on the Rights of Persons with Disabilities. At the national level, the lead authority for upholding human rights norms is the Human Rights Commission (HRC) while the Industrial and Labor Relations Act addresses labor issues. The Act provides the legal framework for trade unions, employers' organizations and their federations, the Tripartite Consultative Labor Council, and the Industrial Relations Court. The Employment Act, Chapter 268, is the basic employment law, while the Minimum Wages and Conditions of Employment Act makes provision for the regulation of minimum wage levels and minimum conditions of employment. Currently, the average minimum wage per month for employees starting with general or domestic workers according to the labor laws in Zambia stands at 420 kwacha (\$44); but in practice with the addition of some other incentives to include food and transportation it amounts to about K700 (\$74.00)

The government of Zambia seeks to maintain high standards of consumer protection by, for example, following the United Nations Guidelines for Consumer Protection. The Competition and Fair Trading Act of 1994 encourages competition in the economy, protects consumer welfare, strengthens the efficiency of production and distribution of goods and services, secures the best possible conditions for the freedom of trade, expands the base of entrepreneurship, and regulates monopolies and concentrations of economic power. The Act was superseded in 2010 by the Competition and Consumer Protection Act, which includes specific consumer protection provisions and renames the Commission as the "Competition and Consumer Protection Commission (CCPC)." The Board of Commissioners is composed of representatives from different ministries and professional associations. As a matter of practice, all statutory agencies are encouraged by the government to regularly engage in stakeholder consultations whenever new laws and regulations are being considered. In other cases, public hearings have been institutionalized and made integral to the consideration and implementation of measures that affect business.

The overall approach of the government in theory has been to promote transparency and the active participation of the private sector in matters that affect their business affairs. Through this framework, instances have been noted where the submissions of the business sector have influenced policy measures and laws in the country. Generally, all regulatory agencies that issue operating licenses have statutory reporting requirements that businesses operating under their laws and regulations must meet. For example, the Banking and Financial Services Act has stringent reporting provisions that require all commercial banks to submit weekly returns indicating their liquidity position. Late submission of the weekly returns or failure to meet the minimum core liquidity and statutory reserves incur punitive penalty interest, and may lead to the placement of non-compliant commercial banks under direct supervision of BoZ, closure of the undertaking, or the prosecution of directors.

All companies listed under the Lusaka Stock Exchange (LuSE) are obliged to publish interim and annual financial statements within three months after the close of the financial year. Listed companies are also required to disclose in the national printed media any information that can affect the value of the price of their securities. According to the Companies Act, Chapter 388, company directors need to generate annual account reports after the end of each financial year. The annual account, the auditors' report or reports on the accounts, and the directors' report should be sent to each person entitled to receive notice of the annual general meeting and to each registered debenture holder of the company. A foreign company needs to submit annual accounts and an auditors' report to the Registrar. Zambia strives to adhere to OECD Guidelines on Corporate Governance and the Guidelines are sufficient to ensure a level playing field but the government does not maintain a National Contact Point (NCP) for OECD Multi-National Enterprises guidelines.

The government is attempting to address regulatory inadequacies, especially related to consumer protection and anti-competition practices. Financial and technical constraints are, however, impacting the pace of regulatory reforms. In other cases, the business sector is being encouraged to adopt practices that promote responsible business conduct on a "voluntary basis." For example, the Institute of Directors Zambia (IODZ) has been actively advocating the introduction of "Board Charters" that set out good corporate standards (such as ethical conduct) that business enterprises will implement and be associated with.

The Citizens Economic Empowerment Commission (CEEC) is also promoting the adoption of “Sector Codes” by the business sectors that commit themselves to supporting citizens’ economic empowerment.

In addition, a number of public institutions have established Integrity Committees that address the strengthening of internal policies and procedures for combating corruption. The private sector is also being encouraged to either establish similar Integrity Committees or to strengthen their corporate governance standards to effectively address corruption. Most local manufacturers of consumer products are also submitting to voluntary product testing and certification by the Zambia Bureau of Standards (ZABS). The ZABS certification is also embossed on the product labels as a “mark of quality” indicating the product’s suitability for consumption. Legislative measures have also been agreed with food processors and drug manufacturers to indicate product manufacturing and expiry dates. A number of supermarket chains have also adopted barcoding of products that facilitates not only stock control but also tracing of each product that is stocked and sold to consumers.

A strong legal and institutional framework for RBC would also include effective implementation and enforcement of the law. Grievance mechanisms should effectively investigate, punish, and redress issues that companies bring forward. RBC is compromised in a situation where the government is not able to enforce laws and cannot provide remedies to parties negatively affected by company operations. Moreover, it is necessary to ensure that RBC regulations themselves are sufficiently strict (and regularly updated) so as to encourage responsible company behavior. The effectiveness of regulatory agencies is further impacted by a lack of robust coordination mechanisms. Cases abound of regulatory conflicts faced by the private sector, where statutory institutions introduce measures that countermand the laws and regulations of their counterparts. There is therefore no clear framework for inter-agency collaboration, especially as concerns investment promotion and communication between investors and other government agencies.

The government is a signatory to and has ratified most UN conventions relating to business conduct. The government has also subscribed to a range of other international conventions that it wishes to domesticate in Zambian law. The domestication of all these conventions has been protracted, thus limiting the effects of the measures. The government fully supports measures that encourage responsible business conduct and has recognized the importance of adopting international practices. The main challenges include domesticating international practices and strengthening regulatory capacities. To some extent, reliance has been placed on voluntary compliance, unofficial intermediation, consultation with stakeholders, and showcasing of best practices.

Most mining companies have acceded to the Extractive Industries Transparency Initiative (EITI) adapted in February 2009 for Zambian conditions, and they are allowing independent audits of their operations and financial reporting. The results of the EITI audits are available to the general public. Zambia has been an EITI compliant country since September 2012. The government receives revenue in the form of taxes from all extractive industries, including mining. The mining sector accounts for about 10 percent of GDP and around 70 percent of export revenue. All exploration and mining activities are governed by the Mines and Minerals Act of 2008 and other mining related regulations that include: the Mineral Royalty Tax (Repeal) Act, the Petroleum (Exploration and Production Act), the Explosives Act, and the Environmental Protection and Pollution Control Act. The GRZ, through the Ministry of Mines and Minerals, conducts open bidding and grants mining licenses to qualified bidders. The Zambian Revenue Authority collects all payments from mining companies and remits them to the Ministry of Finance. The Zambian Revenue Authority regularly publishes production volumes for copper, cobalt, and gold, and the names of companies operating in the country.

Political Violence

Zambia does not have a history of large-scale political violence, though skirmishes among partisans of political parties are relatively widespread. Through 2015 and 2016, there were numerous clashes of supporters of different political parties, resulting sometimes in injuries and arrests. Police generally have disproportionately targeted opposition political supporters for arrest and have restricted public gatherings by opposition groups. Millions of Zambians went to the polls August 11, 2016 to select a new president, members of parliament, mayors, local councilmembers, and to vote on changes to the constitution’s bill of rights. Ruling Patriotic Front (PF) incumbent President Edgar Lungu was reelected in a closely contested race, yielding 50.35 percent of the valid ballots cast. Opposition candidate Hakainde Hichilema (known as HH) of the United Party for National Development (UPND) finished a close second with 47.63 percent. The elections were largely free of the violence that marred the campaign period and the parallel vote tabulations conducted by a civil society organization showed the official results fell within

the model's margin of error. Given the close outcome, it is nearly impossible to quantify the impact on the final results of a pre-election period marked by political violence and restrictions on freedoms of media and assembly.

Since the election, police and other government bodies arrested or attempted to silence some critics of President Lungu, the ruling Patriotic Front (PF) party, and their policies. Despite Lungu's successful reelection and the PF's increased parliamentary majority, the government's efforts to clamp down on critical voices have continued. There have been various attempts to silence private media critical of the PF by suspending and interrupting publications; confiscating or blocking some media content; and harassing, arresting, and beating journalists and media managers. With government already exercising control over public newspapers, TV, and radio, the further limiting of space for private media to operate independently is making it increasingly difficult for Zambians to be adequately informed.

Bilateral Investment Agreements

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 African Development Community (SADC) member states. Zambia does not have a Bilateral Investment Treaty with the United 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). Zambia initiated market access through the Eastern and Southern Africa (ESA) interim Economic Partnership Agreement (IEPA) with the European Union on September 30, 2008. In completing these negotiations, the provisions of the trade in goods chapter and related annexes of the ESA IEPA now apply to Zambia. Zambia has signed protective agreements with Chinese, Nigerian, Libyan, and Indian investors.

Corruption

Zambia's anti-corruption activities are governed by the Anti-Corruption Act of 2010 and the National Anti-Corruption Policy of 2009, which stipulate penalties for different offenses. While legislation and stated policies on anti-corruption are adequate, implementation sometimes falls short. Zambia lacks adequate laws on whistleblower protection, asset disclosure, evidence, and freedom of information.

Zambia has made some progress in the fight against corruption in the last decade, as reflected by improvements recorded in several governance indicators. However, in recent years, corruption has remained a primary impediment to governance and development programs. The legal and institutional frameworks against corruption have been strengthened, and efforts have been made to reduce red tape and streamline bureaucratic procedures, as well as to investigate and prosecute corruption cases, including those involving high-ranking officials. Most of these cases however remain on the shelves of court houses waiting to be tried while the officials roam about freely, sometimes still occupying the very positions through which the alleged corruption took place. In spite of progress made, corruption remains a serious issue in Zambia, affecting the lives of ordinary citizens and their access to public services. Corruption in the police emerges as an area of particular concern (with frequency of bribery well above that found in any other sector), followed by corruption in the education and health services. The government in November 2015 also cited corruption in public procurements and contracting procedures as major areas of concern.

The Anti-Corruption Commission (ACC) is the agency mandated to spearhead the fight against corruption in Zambia. The Anti-Money Laundering Unit of the Drug Enforcement Commission (DEC) also assists with investigation of allegations of misconduct. An independent Financial Intelligence Unit (FIU) was formed in 2010, but has not yet developed the capacity to take the lead in investigating financial crimes. In November 2012, the FIU Board of Directors was appointed and sworn in with a challenge to implement its mandate. Zambia's anti-corruption agencies generally do not discriminate between local and foreign investors. Transparency International has an active Zambian chapter

The government encourages private companies to establish internal codes of conduct that prohibit bribery of public officials. Most large private companies have internal controls, ethics, and compliance programs to detect and prevent bribery. The Integrity Committees (ICs) Initiative is one of the strategies of the National Anti-Corruption Policy (NACP), which is aimed at institutionalizing the prevention of corruption. The NACP was approved in March 2009 and the Anti-Corruption Commission spearheads its implementation. Eight institutions were targeted, including the Zambia Revenue Authority, Immigration Department, and Ministry of Lands. The government has taken measures to enhance protection of whistleblowers and witnesses

with the enactment of the Public Disclosure Act as well as strengthen protection of citizens against false reports in line with Article 32 of the UN Convention.

U.S. firms and the Zambian government have identified corruption as an obstacle to foreign direct investment. Corruption is most pervasive in government procurement and dispute settlement. Giving or accepting a bribe by a private, public, or foreign official is a criminal act, and a person convicted of doing so is liable to a fine or a prison term not exceeding five years. A bribe by a local company or individual to a foreign official is a criminal act and punishable under the laws of Zambia. A local company cannot deduct a bribe to a foreign official from taxes. Bribery and kickbacks, however, remain rampant and difficult to police, given government officials' complicity in and/or benefitting from corrupt deals.

Zambia signed and ratified the United Nations Convention against Corruption in December 2007. Other regional anti-corruption initiatives are the Southern Africa Development Community (SADC) Protocol against Corruption, ratified on July 8, 2003, and the African Union (AU) Convention on Preventing and Combating Corruption, ratified on March 30, 2007. Zambia is not a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, but is a party to the Anticorruption Convention.

Resources to Report Corruption

Contact at government agency responsible for combating corruption:

Mr. Kapetwa Phiri
Acting Director
Anti-Corruption Commission
Kulima House, Cha Cha Cha Road,
P.O. Box 50486,
Lusaka, Zambia
Tel: +260-211 237914
Email: kphiri@acc.gov.zm

Contact at "watchdog" organization that monitors corruption:

Mr. Wesley Chibamba
Executive Director
Transparency International Zambia
3880 Kwacha Road, Olympia Park,
P. O. Box 37475, Lusaka
Tel: +260-211 290080
Email: tizambia@zamtel.zm

OPIC and Other Investment Insurance Programs

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 \$5 million to start up the African Trade Insurance Agency (ATI). This institution, which is open to all African states that are members of the AU, provides exporters with insurance against receivables on export trade deals and political risk insurance for trade transactions.

Host country currency exchange restrictions can affect the commercial viability of a project, making it difficult to convert and transfer profits. The Overseas Private Investment Corporation (OPIC) inconvertibility coverage can insure conversion and transfer of earnings, returns of capital, principal and interest payments, technical assistance fees, and similar remittances pursuant to the bilateral agreement providing for the OPIC program while giving priority for USG expenses. An agreement between OPIC and Zambia was signed in June 1999. The agreement provides for OPIC support as noted above through the African Trade Insurance Agency (ATI).

Labor Policies and Practices

Although an abundance of unskilled labor exists in Zambia, investors complain that the supply of skilled and semi-skilled labor is inadequate. Labor-management relations vary by sector. Zambia's population is estimated to be about 15 million, with the majority of the population being of employable age. Labor demand, however, does not match supply and Zambia has high rates

of unemployment, youth unemployment, and underemployment while living costs have risen steadily. The government adheres closely to International Labor Organization (ILO) conventions. The government ratified all eight International Labor Organization (ILO) core conventions, and has been engaged in revising labor laws to improve compliance since 2006. There are still gaps in law and practice. Strikes are not uncommon in the public sector and often are related to the government's failure to pay salaries or allowances on time, but lawful strikes are very difficult to hold due to several restrictions and conditions.

Labor laws provide for extremely generous severance pay, leave, and other benefits to workers, which can impede investment. Such rules do not apply to personnel hired on a short-term basis. As such, the vast majority of Zambian employees are hired on an informal or short-term basis. In July 2012, the GRZ revised the Minimum Wages and Conditions of Employment Act, Cap 276, of the Laws of Zambia for various categories of workers following the amendment of statutory instruments order 2011 No. 1 of 2011, order 2011 No. 2 of 2011 and order 2011 No. 3 of 2011.

The Employment Act, Chapter 268 of the Laws of Zambia covers employment and labor related issues. While the law recognizes the right of workers to form and join independent unions, conduct legal strikes, and bargain collectively, there are statutory restrictions limiting these rights. Police officers, military personnel, and certain other categories of workers are excluded from exercising these rights. No trade union can be registered if it claims to represent a class of employees already represented by an existing trade union. At least 25 members are required and registration may take up to six months. The government has discretionary power to exclude certain categories of workers, including prison staff, judges, registrars of the court, magistrates, and local court justices from labor law provisions. The law also gives the labor commissioner the power to suspend and appoint an interim executive board of a trade union, as well as to dissolve the board and call for a new election. A trade union officer may be disqualified if s/he fails to satisfy the commissioner that s/he does not contribute to the revocation of his/her trade union registration.

The government generally protects unions' right to conduct their activities without interference. All categories of workers except police and military were free to form or join unions. Workers' organizations are independent of government and political parties. Trade unions are independent of government but the Ministry of Labor and Social Security is ultimately responsible for employment exchange services and enforcing labor legislation. An employer is allowed to terminate a contract of service on grounds of redundancy, however, the Employment Act requires the employer fulfill certain conditions before terminating a contract of service on such grounds. One of these conditions is notifying the employee's trade union. The Act makes a clear distinction between layoffs and severance. In the event an employee is summarily dismissed, he/she shall be paid upon dismissal the wages and allowances due up to the date of such dismissal. The government formally permits employment of expatriate labor only in sectors where there is scarcity of local personnel, but investors promoting large scale investments can negotiate the number of work permits that they can obtain from the Department of Immigration to employ expatriates.

The law does not limit the scope of collective bargaining, but it allows, in certain cases, either party to refer a labor dispute to court or arbitration. The law also allows for a maximum period of one year from the day on which the complaint is filed within which a court must consider the complaint and issue its ruling. The law provides for the right to strike provided that recourse to all legal options is first exhausted. The law prohibits workers engaged in a broadly defined range of essential services from striking. Under Zambian law, essential services are defined as any activity relating to the generation, supply, or distribution of electricity; the supply and distribution of water and sewage removal; fire departments; and the mining sector. Employees in the Zambian Defense Forces and judiciary as well as police, prison, and ZSIS personnel are also considered essential. The government has power to add other services to the list of essential services, in consultation with the tripartite consultative labor council.

The process of exhausting the legal alternatives to a strike is lengthy. The law also limits the maximum duration of a strike to 14 days, after which, if the dispute remains unsolved, it is referred to the court. A strike can be discontinued if the court finds it not to be "in the public interest." Workers who engage in illegal strikes may be dismissed by employers. The Industrial and Labor Relations Act (ILRA), Chapter 269 of the Laws of Zambia, Part IX covers the settling of labor disputes. Aggrieved parties may report the matter to a labor officer, who would take steps deemed fit to effect a settlement between the parties and would encourage the use of collective bargaining facilities where applicable. In the event of a collective dispute between an employer and a trade union regarding the terms and conditions of employment, claims and demands must be put in writing and both parties must have held at least one meeting with a view to reaching a settlement but failed. Such disputes are referred to a conciliator or board of conciliators to be appointed by both parties to the dispute. If the conciliator fails to resolve the problem,

the conciliator will inform the Labor Commissioner. The Commissioner will then request the Minister of Labor to appoint a conciliator who will again call the parties to consider the dispute. If all efforts to resolve the matter fail, it is then taken to the Industrial Relations Court for arbitration.

The practice of collective bargaining is very much used by trade unions. More than 2,000 unionized workers at Barrick Gold's Lumwana Copper Mine stopped work in February of 2015. The workers demanded to know their fate after Lumwana announced possible plans to put the mine on "care and maintenance" status, suspending operations and placing nearly 4,000 direct jobs at risk. The Ministry of Labor, the Mine Workers Union of Zambia, and Lumwana management met to try to end the work stoppage. President Lungu also held consultations with the Chamber of Mines of Zambia, assuring mining companies that government would address their concerns about the new mineral royalty tax. The work stoppage ended and the government reached an accommodation with the mines in February 2016 that would align taxes with global copper prices on a sliding scale. Also late in 2015, unionized lecturers and other workers at Copperbelt University (CBU) in Kitwe stopped working over delayed salaries, demanding payment before they would resume work. After deliberations with the university management, the employees resolved to resume work after management agreed to pay the delayed salaries.

Other internationally recognized fundamental labor rights, including the elimination of forced labor, child labor employment, discrimination, minimum wage, occupational safety and health, and weekly work hours are all recognized under domestic law, but enforcement is often weak. There is no documented figure of children in Zambia who are engaged in child labor, but studies point to a yearly increase in the number of these children, who work primarily in the agriculture and mining sectors. Cotton, tobacco, cattle, gems, and stones are included on the U.S. Government's List of Goods Produced by Child Labor or Forced Labor.

The Department of Labor and the Department of Occupational Safety and Health of the Ministry of Labor and Social Security monitor labor abuses, as well as health and safety standards in low-wage assembly operations such as construction. Two main social partners, the Zambian Congress of Trade Unions (ZCTU) and the Zambian Federation of Employers (ZFE), assist with Ministry of Labor enforcement. The worker and employer organizations are consulted at tripartite gatherings on any proposed policy document or legislation, and they participate in labor inspections. The Ministry of Labor produces annual inspection reports, which are made available to social partners. In December 2015, Parliament passed and the president signed a suite of amendments to the Employment Act that prohibit casual labor and increase protections for unskilled workers.

Foreign Trade Zones/Free Ports/Trade Facilitation

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 early 2007, the GRZ announced the creation of multi-facility economic zones (MFEZ) in which investors enjoy waivers on customs duty on imported equipment, excise duty, and value added tax, among other concessions. Foreign-owned firms, like any investor, enjoy the same investment opportunities in Foreign Trade Zones.

The concept of Multi-Facility Economic Zones (MFEZ) was first established in Zambia under the auspices of the Triangle of Hope (ToH) initiative, introduced in 2005 by the Japan International Corporation Agency (JICA). In early 2007, the government announced the creation of MFEZ in which investors enjoy waivers on customs duty on imported equipment, excise duty, and value added tax, among other concessions. There are two MFEZ currently operating, the Chinese Chambishi MFEZ on the Copperbelt – including its extension, the Lusaka East MFEZ located near the international airport – and the Lusaka South MFEZ. Foreign-owned firms enjoy the same investment opportunities in Foreign Trade Zones. The Zambia Development Agency Act No. 6 of 2006 is the primary legislation for investment in Zambia. An investor, foreign or local, is free to identify and suggest any other location in the country deemed economical for development of a multi-facility economic zone, although the government has prioritized designated areas in Lusaka, Ndola, Mpulungu, Chembe, Nakonde, Kasumbalesa, and Mwinilunga. Investors are encouraged to provide local employment and skills transfer to local entrepreneurs and communities. Investors are also encouraged to utilize local raw materials and intermediate goods and engage in technology transfer to qualify to operate in an MFEZ.

Zambia, like other countries, trades on its business relations with the international community. On October 31, 2000, the COMESA Free Trade Area (FTA) was launched. COMESA established a customs union in June 2009, during the 13th Summit of the COMESA Heads of State and Government. The top five intra-COMESA exports from Zambia include tobacco, raw sugarcane, wire, refined copper, and cement. The SADC (Southern Africa Development Community) Trade Protocol Member States – a regional grouping of 13 African states – came into force in 2008. The SADC Trade Protocol promotes regional integration

through trade development and develops natural and human resources for the mutual benefit of their people. Trade among SADC member states is conducted on reciprocal preferential terms. Rules of Origin define the conditions for products to qualify for preferential trade in the SADC region. Products have to be “wholly produced” or “sufficiently processed” in the SADC region to be considered compliant with the SADC Rules of Origin. The SADC Rules of Origin are product-specific and not generic, as are the Rules of Origin for COMESA.

Zambia performs better than the average sub-Saharan African and lower middle income country in the areas of information availability, involvement of the trade community, appeal procedures, and automation, according to OECD trade facilitation indicators. Zambia’s performance for internal border agency co-operation and governance and impartiality is below average for sub-Saharan African and lower middle income countries. There have been no major changes to the COMESA and SADC zones since the 2016 ICS report.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country	USG or international statistical	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other		
	Statistical source*	source			
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP)	2014	27.1 Billion	2015	\$21.15 Billion	The World Bank Data Zambia Ministry of Finance-
Foreign Direct Investment	Host Country	USG or international statistical	USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other		
	Statistical source*	source			
U.S. FDI in partner country (\$M USD, stock positions)	2015	N/A	2015	\$65	BEA data available.
Host country’s FDI in the United States (\$M USD, stock positions)	2015	N/A	2015	N/A	BEA data available.
Total inbound stock of FDI as % host GDP	2015	13.6 percent	2015	7.5 percent	Bank of Zambia Statistics

Host country statistical data used are almost non-existent. If they exist there is not a central source for retrieving the data.

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data

From Top Five Sources/To Top Five Destinations (US Dollars, Millions)

Inward Direct Investment			Outward Direct Investment		
Total Inward	15,659	100%	Total Outward	Amount	N/A
Canada	4.187	27%	N/A		
United Kingdom	3.146	20%	N/A		
China, P.R. Mainland	2.204	14%	N/A		
Switzerland	1.909	12%	N/A		
Ireland	736	5%	N/A		
"0" reflects amounts rounded to +/- USD 500,000.					

Contact for More Information

Commercial Team
 Political/Economic Affairs
 US Embassy, Lusaka
 Stand 100, Kabulonga Road, Ibex Hill,
 Lusaka, Zambia
 Tel: +260-211 357000
 Email: commercialusaka@state.gov

Trade & Project Financing

Methods of Payment

Credit is the most common method of payment used for Zambian imports. In general, Zambian 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 (even from government-owned companies) to suppliers are a common problem in Zambia. The cash-in-advance payment method may be advisable, especially when dealing with small companies. Credit Rating Agency Limited (CRA) is one of the few companies in Zambia that are authorized by the Securities and Exchange Commission (SEC) and approved by the Lusaka Stock Exchange Limited (LuSE) as a Designated Financial Advisor to SMEs. The CRA was licensed in September 2014 to primarily provide corporate rating and financial advisory services to institutions in Zambia.

Zambia has a few debt collection companies that include Zambia Attorney Collection, Inc., Bulwark Debt Collection Agency, and Incasso Partners.

The primary credit or charge cards accepted in most hotels, restaurants, travel agencies and stores are Visa cards. Most banks have automated teller machines which accept Visa more than MasterCard or American Express.

Banking Systems

Zambia's commercial banking sector is composed of 19 international and local banks. All banks operating in Zambia must incorporate locally. As a result, there are no local branches of foreign (including U.S.) banks or financial institutions. Citibank Zambia Limited, a wholly-owned subsidiary of Citicorp NY, provides corporate banking services in Zambia.

The banking sector is supervised by the Bank of Zambia (BoZ) which reports to the Ministry of Finance. The sector is governed by the Banking and Financial Services Act of 1994. Industry observers generally credit the BoZ with making large strides in improving bank oversight over the past several years. The [Financial Intelligence Center](#) was established in 2010 through an Act of Parliament to combat money laundering and terrorist financing but this anti-money laundering regime is yet to meet international standards.

The banking sector has continued to expand and has led to a number of entities operating in multiple sectors such as banking insurance, and the capital market. The regulatory environment is still fragmented with multiple regulators such as the Pensions Insurance Authority, BoZ, and SEC.

Foreign Exchange Controls

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, carried in or out in cash or travelers checks, must be declared. Commercial banks and bureau de change operators restrict issuance of over-the-counter cash to \$5,000 per transaction.

The BoZ is responsible for the management of the country's foreign exchange reserves and participates in open market operations to either build up reserves or to smooth exchange rate volatility.

US Banks & Local Correspondent Banks

Zambia has one U.S.-owned bank:

Citibank Lusaka
Citibank House
Stand 4646, Corner Chikwa/Nasser Road
Addis Ababa Roundabout
P.O. Box 30037
Lusaka, Zambia
Tel: +260-211-444400
Fax: +260-211-22 6264

Citibank Ndola
Atlas Copco Building Industrial Area,

Zambia Way
P.O. Box 70686,
Ndola, Zambia
Tel: +260-212-651113/3 and +260-212-651434-5 and +260-212-651437

Project Financing

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 can be accessed for projects in Zambia.

U.S. enterprise development funds include the Southern African Enterprise Development Fund and the United States African Development Foundation. The International Finance Corporation (IFC) and Commonwealth Development Corporation (CDC) both offer financial assistance for projects in Zambia.

There are no restrictions for U.S. companies to participate in bids and tenders floated by the Zambia Public Procurement Authority (ZPPA) and funded by the international institutions such as the World Bank, African Development Bank and others. After selection of a successful bidder, the relevant government ministry will supervise the project while payments are made from the financing institution. However, channels for remittance of project funds will differ according to the financing institution.

[United States African Development Foundation](#)

Multilateral Development Banks:

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the [Commercial Liaison Offices to the African Development Bank](#) and the [World Bank](#).

Web Resources

[Commercial Liaison Office to the African Development Bank](#)

[Commercial Liaison Office to the World Bank](#)

Zambia is a member of the multilateral development banks including the World Bank and the African Development Bank (AfDB). Zambia continues to access finance from the World Bank and the AfDB.

Financing Web Resources

[Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

Business Travel

Business Customs

Business law is based mostly on British law, and business customs are similar to those in the United States and Europe. Zambians are polite and mild-mannered, and a direct confrontational style is not well received in the local cultural context. Business dress code is formal for both men and women. If the attire is a skirt suit, then the length should be below the knees.

Travel Advisory

Crime is a problem in Zambia. Mugging, carjacking, and house and car break-ins are not uncommon. Copperbelt towns along the border with the Democratic Republic of Congo have seen periodic surges in crime due to political instability across the border. There are no internal travel restrictions in Zambia, although areas around military bases may have restricted access. [Website for State Department consular information sheet for Zambia.](#)

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.

Visa Requirements

A passport and visa are required to enter Zambia. The passport must be valid for at least six months after the intended date of departure from Zambia and have at least two blank pages. Foreigners coming to Zambia for business are entitled to a free thirty-day visa. Business visas may be obtained by presenting a letter of invitation from the organization that is sponsoring the traveler that specifies the nature of the intended business. Business visitors intending to stay longer than thirty days must apply for a temporary employment permit. A single-entry visa may be obtained at a port of entry for \$50 and is valid for only ninety days. For a three-year multiple entry visa, travelers must apply in advance at a Zambian Embassy or consulate. The three-year multiple-entry visa fee is \$80. Multiple entry visas may be obtained from the Embassy of the Republic of Zambia, 2419 Massachusetts Avenue, NW, Washington DC 20008, and telephone: (202) 265-9717.

The Government of the Republic of Zambia requires travelers to have at least two blank visa pages in their passport upon entering Zambia. Likewise, travelers transiting South Africa should ensure that their passports contain at least two completely blank (unstamped) visa pages each time entry is sought. These pages are in addition to the endorsement/amendment pages at the back of the passport. South African immigration authorities routinely turn away travelers who do not have enough blank visa pages in their passports.

U.S. companies that require travel of foreign business persons to the United States should advise the foreign business person to work through the U.S. Embassy consular office for their visa application and processing.

Visa applicants should go to the following links:

[State Department Visa Website](#)

[U.S. Embassy Website](#)

[U.S. Embassy Consular Section](#)

In the past, the Zambian Drug Enforcement Commission (DEC) has detained a number of travelers for possession of Benadryl and other over-the-counter medications, which have contained small quantities of diphenhydramine, an active ingredient that is on Zambia's list of controlled substances. Although unaware of these restrictions, U.S. citizens have been charged with drug trafficking offenses, had their passports confiscated, and been jailed. As a result, any U.S. citizen visiting Zambia is strongly advised to leave all non-prescription medications behind. When traveling with prescription medications, U.S. citizens should carry a doctor's prescription and ensure that the medication is in its original bottle. Any U.S. citizen stopped by the DEC for possession of over-the-counter medications should contact the Embassy at +260-211-357-000 as soon as possible.

Currency

Payments within Zambia by law are made in kwacha only, even if the price is quoted in U.S. dollars. Foreign currency is only accepted by immigration officials for the purchase of visas at international airports. Most hotels, restaurants, travel agencies, and retail outlets take credit cards. The commercial banks will advance local currency against a credit card. Most banks have ATMs which accept Visa cards, more often than MasterCard and American Express, for cash. Although traveler's checks are widely accepted, they are no longer commonly used. To avoid additional exchange rate charges, the traveler's checks must be in U.S. dollars, Euros, or British Pounds. Exchange of foreign currency is done in banks or Bureau de Change which are located in most towns in shopping areas, gas stations and supermarkets.

Telecommunications/Electric

Zambia is a member of Intelsat and receives video and communications services through its earth satellite station. Telecommunications services are generally adequate, but often unreliable and relatively expensive.

The Western Fibre Route cable connecting Malawi to Zambia has led to significant retail price reduction for broadband services and facilitated domestic fiber builds. The first commercial LTE network launch has been undertaken and this has increased the number of mobile subscriber base in the country. Several internet service providers (ISPs) have rolled out WiMAX wireless broadband networks. In June 2016, Vodafone and Afrimax Group (Afrimax), a 4G telecommunications operator in sub-Saharan Africa, launched in Zambia. Vodafone Zambia offers a range of commercial connectivity products at retail and through direct sales channel including 4G and Wi-Fi mobile data service, fixed internet, and suite-of-office solutions. The Zambian government opened the National Data Center in February 2017 as part of the Smart Zambia project which aims to transform the country through information and communication technologies.

Cellular service is currently offered in all provinces of Zambia, but coverage is uneven. Major private firms that offer mobile phone facilities include MTN Zambia and Airtel Zambia. AT&T's USA Direct service is available, as well as similar services to Britain, Sweden, and some other European countries. There are a number of callback service companies operating in Zambia.

Global System for Mobile (GSM) is the most prevalent digital cellular phone technology. There are 23 Internet Service Providers offering dial-up connections, broadband wireless, and VSAT services. The GRZ has liberalized the International Voice Gateway which now falls under ZICTA.

Transportation

There are regular airline connections to Lusaka, Ndola, and Livingstone from Dubai, Dar es Salaam, Johannesburg, Gaborone, Windhoek, Harare, Addis Ababa, Cairo, Lilongwe, and Nairobi. Domestic flights are available between Lusaka, Ndola, Kitwe and Chingola (Copperbelt Province), Mfuwe and Chipata (Eastern Province), Livingstone (Southern Province), Kasama (Northern Province), Mansa (Luapula Province) and Solwezi (Northwestern Province).

There are regular flights linking Johannesburg to Lusaka, Ndola, and Livingstone. The government is constructing a new airport terminal at the Kenneth Kaunda International Airport in Lusaka while a new site for the Ndola airport was recently acquired and construction works have commenced. A Livingstone International Airport upgrade was completed in 2017. The government intends to upgrade one other international airport, Mfuwe, but the timeline is unclear. There are several private city bus lines. The railway system is run down and undergoing restructuring. Passenger train travel is unreliable and uncomfortable.

The government has made available \$120 million for use in making major facelift of the rundown infrastructure. The 27-kilometer Chipata-Mchinji Railway, connecting the eastern border with Malawi through to Nacala Port in Mozambique was completed in 2010 and is operational. The GRZ intends to construct new railway lines from Chingola, on the Copperbelt, to Solwezi, in Northwestern Province, as well as a railway line connecting Solwezi to the Benguela railway line in Angola, providing eventual access to Lobito Bay. Two other green field projects include construction of the 760 kilometer railway from Chipata to Mpika station on the TAZARA and from Nseluka to Mpulungu at a total cost of \$3 billion.

Road transportation is the preferred means of transport for many goods. The core road network infrastructure consists of an interconnected network of bitumen paved roads and gravel roads that requires consistent maintenance by the Road Development Agency (RDA). The GRZ initiated the Link Zambia 8000, an accelerated national roads construction program in

2012 to overhaul its road networks maintained by the RDA. At the end of 2016, about 3,947 had been procured out which 678 kilometers were surfaced and open to traffic. A number of inner and outer ring roads are under construction at different stages of development which dramatically improved accessibility and reduced congestion. Zambia is landlocked, and goods come in and out via air freight, or through five African ports: Mpulungu, on Lake Tanganyika; Dar-es-Salaam, Tanzania; Beira, Mozambique; Durban, South Africa; and Walvis Bay, Namibia.

Language

Although there are 73 local languages in Zambia, English is the official language. Government business and commercial transactions are normally conducted in English.

Other dominant languages are Bemba, Kaonde, Lunda, Lozi, Luvale, Nyanja, and Tonga.

Health

Basic medical care outside of major cities is extremely limited. Private medical clinics in major cities can provide reasonable care in many cases, but major medical emergencies usually require medical evacuation to South Africa, India, Europe, or the United States. 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, check [U.S. Department of State Bureau of Consular Affairs](#).

Malaria is endemic in Zambia. Prophylaxis is strongly recommended. HIV prevalence is very high in Zambia with approximately 14% of the adult population HIV positive nationwide but with higher rates in urban areas. Drinking water should always be treated if bottled water is not available.

Local Time, Business Hours and Holidays

Zambia does not participate in daylight savings time. Zambia's time zone is Universal Time (UTC, GMT) plus 1 hour.

Zambian business hours:

Government Offices are open from 8:00 a.m. to 5:00 p.m and close from 1:00 p.m. to 2:00 pm, Monday to Friday. Bank hours vary, but most banks are open from 8:00 a.m. to 3:30 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 11:00 am.

Shops are generally open from 8:15 a.m. to 6:00 p.m., Monday to Sunday while others open from 08:15 a.m. to 10:00 p.m.

Zambian Holidays in 2017 are:

Sunday, January 01	New Year's Day
Monday, January 02	New Year's Day Holiday
Wednesday, March 08	International Women's Day
Monday, March 13	Youth Day (Public holiday March 12 falls on Sunday)
Friday, April 14	Good Friday
Saturday, April 15	Holy Saturday
Sunday, April 16	Easter Sunday
Monday, April 17	Easter Monday
Monday, May 01	Labor Day
Thursday, May 25	Africa Freedom Day
Monday, July 03	Heroes' Day
Tuesday, July 04	Unity Day
Monday, August 07	Farmer's Day

Wednesday, October 18 National Day of Prayers, Fasting and Reconciliation

Tuesday, October 24 Independence Day

Monday, December 25 Christmas Day

Temporary Entry of Materials or Personal Belongings

Tourist/visitors declare their goods to customs at point of entry and declare and produce them for inspection at the point of departure.

Travel Related Web Resources:

[Zambia Tourism](#)