



Top Investment Opportunities in Zambia

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NIGERIA: -

Manufacturing

Manufacturing possesses the biggest opportunity for growth. The sector contributes slightly more than 8 percent to GDP, which is relatively small compared to other African countries. But the government's introduction of Multi-Facility Economic Zones (MFEZs) complements other critical elements available to this sector – cheap labor, vast raw materials, and abundant land. The government also introduced significant investment incentives – zero percent corporate tax for the first five years from the first year of profit, as well as zero import duties on raw materials, capital goods and machinery for the first five years of operating in the zone – which compare well to other countries in the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA).

A booming mining sector boosts the demand for manufacturing locally and adds a significant amount of capital to local investment.

Agribusiness

The agriculture sector provides the greatest opportunity for impact and development. The sector generates around

21 percent of GDP and employs an estimated 67 percent of the national workforce (of which most are smallholder farmers). Potentially arable land covers 47 percent of the country, but currently, only 15 percent is being cultivated. As a member of SADC and COMESA, Zambia has easy access to growing consumer markets. It is also strategically located near other booming countries, including Tanzania, Angola and Mozambique.

The government has moved slowly in liberalizing the production around the staple crops, including rice, millet and cassava. Policy discussions and growing production gaps will create vast opportunity over the next five years.

Agro-processing of tobacco, soya beans, tea and coffee will fill the coffers as their cash value stays strong and their processed and packaged end-products garner more than 10 times the price in developed markets than the locally sold unprocessed product.

Mining

Being the world's largest producer of copper, Zambia is rich in known mineral deposits and holds 6% of the world's known reserves. Copper and cobalt are the country's traditional exports, and these account for over 70% of the country's export earnings. The overall mining industry contributes about 12% to the GDP.

Electricity and Power

Despite tremendous economic growth, Zambia still grapples with power outages, specifically during peak hours. Experts estimate that the country needs to double power generation capacity over the next five years. The government continues to pursue aggressive opportunities such as the development of transmission inter-connectors with neighboring countries, including the Democratic Republic of the Congo (DRC), Kenya and Tanzania.

Zambia possesses 6,000 MW worth of potential energy from hydropower, yet the country has only developed 1,700

MW of that potential. Installed capacity is estimated at 1,800 MW, of which only 1,400 MW is believed to be available. A peak demand of approximately 1,725 MW and a 10% required reserve requirement underscores the opportunity for developing hydropower.

Infrastructure

Zambia is still a developing country that still has a long way to go in terms of infrastructural development. So, investment opportunities abound in infrastructure projects such as roads, bridges, rail networks, airports, stadiums, and even buildings. If you have enough funds to kick-start a private engineering firm in Zambia, you will have the opportunity to handle many construction and maintenance projects in the country.

Telecommunications

Zambia is one of the most promising markets for information and communication technology. There is a huge demand in the country for reliable telecom services. Yet, there are just three telecom companies in the country (Zamtel, Airtel, and MTN), and these are not sufficient to meet the huge demand.

If you cannot afford the cost of starting a telecom company in Zambia, you can partner with these companies to offer related products and services such as sales and distribution of recharge vouchers.

Housing

This is another priority sector in Zambia. Due to the country's rapid growth, increased economic activities, and increased rural-urban migration, there's increased need for the erection of more buildings and related facilities. To this end, the government of Zambia is hurrying to increase the housing stock and improve livelihoods. This has, in turn, thrown open the door of investment in the housing sector.

