

Zambia



Zambia is richly endowed with copper, the country's major source of foreign exchange, accounting for about 80 per cent of total exports. It is Africa's top copper producer and the world's seventh-largest, making up about 6 per cent of global output. In its report the *African Economic Outlook 2013* (AEO), published jointly by the African Development Bank and the Organisation for Economic Co-operation and Development, notes that Zambia also has sizable proven deposits of other mineral resources, including cobalt, nickel, manganese, gold, nickel, gemstones, non-metal resources (such as coal, uranium) and soft natural resource commodities (forests, fertile land). Furthermore, it is believed that Zambia accounts for about 60 per cent of water resources in southern Africa. These diverse natural resources present numerous opportunities for economic transformation.

Whilst previous attempts to diversify Zambia's exports and foster structural transformation have proved futile, current economic conditions and political dispensation offer favourable incentives for a

new economic model. If properly harnessed, these natural resources could be exploited for the benefit of the Zambian people. However, identifying economic sectors that offer the best competitive advantage is the most critical issue.

Zambia is currently enjoying its longest commodity boom ever, driven in part by high international copper prices. Apart from providing fiscal benefits, copper mining can lead the way to Zambia's greater industrialisation. Evidence of satellite small- and medium-sized enterprises (SMEs) supporting the mining industry is already in place. Strategic outsourcing is another form of generating value from mining to spur development of local entrepreneurship and job creation.

Other minerals, such as gemstones and coal, also offer opportunities for government revenue, employment creation and poverty reduction. However, the gemstone industry is largely characterised by artisanal miners, and exports often escape formal capture. Less than 20 per cent of gemstone exports pass through the official channel. Although the sector has potential

KEY FACTS

Official name: Republic of Zambia

Head of State: President Michael Sata (PF) (from 29 Sep 2011)

Head of government: President Michael Sata (Patriotic Front) (from 29 Sep 2011)

Ruling party: Patriotic Front

Area: 752,614 square km

Population: 13.92 million (2012)* (13,046,508; 2010, census figure)

Capital: Lusaka

Official language: English

Currency: Kwacha (K) = 100 ngwee

Exchange rate: K5,475.00 per US\$ (Jul 2013)

GDP per capita: US\$1,474 (2012)*

GDP real growth: 7.33% (2012)*

GDP: US\$20.52 billion (2012)*

Inflation: 6.56% (2012)*

Balance of trade: -US\$2.22 billion (2011)

* estimated figure

to generate US\$600 million in foreign exchange per annum, only US\$40 million is captured. Opportunities for structural transformation from the gemstone sector include processing and polishing to add value to raw gemstones. Currently, the government is experimenting with this model through its support of the Lapidary and Gemstone Processing Training Centre, which develops skills for emerald processing.

Zambia's rich coal deposits could be used to generate thermal power, thereby alleviating the country's energy shortfall. Maamba Collieries, jointly run by the state owned ZCCM Investments Holdings Plc (35 per cent) and Nava Bharat of Singapore (65 per cent), is currently exploring the potential for a thermal power plant that would generate 300MW in the first phase of investment.

Constraints to Zambia's structural transformation and rapid industrialisation are well documented. Growth diagnostic studies undertaken in the country demonstrate that Zambian firms are hugely penalised by an underdeveloped infrastructure, a burdensome regulatory and tax regime, limited access to finance, low level of skills, and the general high cost of doing business. Zambia's current expenditure on infrastructure is about 10 per cent of GDP, lower than the estimated 20 per cent the country needs to address the infrastructural deficit. Even with proceeds from the Eurobond, the infrastructure financing gap remains huge.

The current shortage of skills, notes the AEO, puts a premium on production costs

and undermines productivity. Large infrastructure and construction works by foreign firms rely on imported labour, mainly from South Africa or East Asia. Narrowing the education-skills mismatch would require reforming the technical and vocational curriculum, investing resources in research and development, and providing targeted incentives to firms that exhibit strong commitment to improving human capital development.

There are indications of government commitment in pursuing the diversification process with policies focused on overcoming these constraints. In the strategic plan for 2011–15, the government has set benchmarks for promoting and enhancing value addition on local products. This is envisaged through the establishment of industrial clusters through the country, based on the regions' comparative advantage. Local entrepreneurs facing financing constraints could access funds through the revamped Citizens' Economic Empowerment Commission (CEEC). The CEEC, and other initiatives, including the Private Sector Development Reform Programme (PSDRP), the Triangle of Hope Initiative and the Millennium Challenge Corporation, seek to alleviate binding constraints to Zambia's long-term development.

Zambia could enter a new phase towards distributive and inclusive growth, with the mining industry ramping up production to about 1.5 million tons by 2015, the multi-facility economic zones coming on stream, and the provision of infrastructure and equipment to Nansanga and two

other farming blocs. But this will require effective leadership and strong partnership between the state and non-state actors. The government must inculcate a spirit of ownership and strengthen the role of the private sector by nurturing industrial enterprises, allowing them to venture into niche products within complex value-added chains.

The economy

Zambia's economic growth over the past decade has been robust, averaging around 6 per cent. This growth has been boosted by a combination of improved macroeconomic management, economic liberalisation and privatisation, and the resource boom, specifically in copper mining.

The strong performance is expected to continue in 2013 and 2014 premised on increased mining output, rising construction activity and sustained robust growth in services and agriculture. After faltering in 2012 due to labour strikes and policy uncertainty following elections in 2011, growth in mining is expected to rebound. Copper output is expected to rebound in 2013, and accelerate thereafter, reaching about 1.5 million tons by 2015. Prospects in the mining industry are conditional on the restoration of investors' confidence, which should see renewed investment flows into new mines, and an expansion of capacity at existing plants. Buoyant global copper prices will provide additional stimulus to the sector's performance. The mining sector remains one of the key drivers of the Zambian economy, generating about 80 per cent of foreign earnings. Nonetheless, the revenue effect of Zambia's mineral resource boom has been weak, exacerbated by the lopsided mineral fiscal regime, which until 2008 favoured foreign investors.

Agriculture

The potential of agriculture to contribute towards structural transformation is immense. Zambia has abundant arable land and climatic conditions suitable for production of a variety of crops. Currently, agriculture contributes about 7 per cent to GDP growth and employs an estimated 85 per cent of the workforce, mostly in the subsistence sub-sector. However, productivity is very low. Output per worker in constant US dollars is only US\$221 against US\$900 for sub-Saharan Africa. Furthermore, agriculture contributes no more than 5 per cent of total merchandise exports and the linkages with manufacturing are generally weak.

KEY INDICATORS

Zambia

| | Unit | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------|----------|----------|----------|----------|----------|----------|
| Population | m | *11.74 | *11.97 | 13.05 | *13.59 | *13.92 |
| Gross domestic product (GDP) | US\$bn | 14.70 | 12.30 | 16.20 | 19.20 | *20.52 |
| GDP per capita | US\$ | 1,248 | 1,027 | 1,221 | 1,414 | *1,474 |
| GDP real growth | % | 5.8 | 4.5 | 7.6 | 6.6 | *7.3 |
| Inflation | % | 12.4 | 13.4 | 8.5 | 8.7 | *6.6 |
| Industrial output | % change | 4.4 | 17.6 | 10.8 | – | – |
| Agricultural output | % change | -0.1 | -0.1 | 0.1 | – | – |
| Exports (fob) (goods) | US\$m | 4,961.7 | 4,319.1 | 7,413.6 | 8,671.8 | *9,143.5 |
| Imports (fob) (goods) | US\$m | 4,554.3 | 3,413.4 | 4,709.9 | 6,454.2 | *7,960.8 |
| Balance of trade | US\$m | 407.4 | 905.7 | 2,703.7 | 2,217.6 | *1,452.7 |
| Current account | US\$m | -1,359.7 | -703.1 | 363.1 | 69.1 | *-711.0 |
| Total reserves minus gold | US\$m | 1,095.6 | 1,892.1 | 2,093.8 | 2,347.0 | *3,042.2 |
| Foreign exchange | US\$m | 1,085.0 | 1,254.4 | 1,468.5 | 1,701.3 | *2,435.7 |
| Exchange rate | per US\$ | 5,090.00 | 4,955.00 | 4,797.10 | 4,760.60 | *5.20 |

* estimated figure

The major hindrance to improved agriculture and livestock productivity is investment in infrastructure and lack of extension services, particularly to small-scale farmers who face higher per unit costs. Mainstreaming the agriculture sector requires the commitment of substantial public resources, especially in productivity improving technologies and a retrenchment from inefficient input subsidies. Investment in research and development, extension services and rural infrastructure is essential to making Zambia's agriculture sector more competitive.

The agriculture sector, which has shown resilience in recent years, is expected to benefit from the government's plans to improve resource allocation to the sector and planned investments in agriculture infrastructure and crop diversification. In 2012, production fell, due to late delivery of some agriculture inputs and decline in the prices of agriculture products, especially cotton. Productivity in Zambia's agriculture sector is also low due to a number of constraints and challenges. Capacity utilisation is low, while farming has been concentrated in staple food crops with minimal export value. The cost of production is high, exacerbated by limited access to long-term finance. Access to credit remains one of the main challenges facing Zambian small businesses. The agriculture sector also suffers from a shortage of skills, particularly for veterinary and extension services.

The government has embarked upon measures aimed at addressing the binding constraints to productive agriculture. To boost crop and livestock production diversification, reforms are underway to encourage crop diversification with the Farmer Input Support Programme expanded to cover other crops such as soya, cotton, sunflower, and rice. To alleviate delays in input distribution, government plans to introduce an electronic voucher (e-voucher) system from 2013. The e-voucher system is expected to strengthen the role of the private sector in supplying agricultural inputs. Livestock restocking, and streamlining of policy and scaling up of extension services, irrigation and research are additional policy measures being undertaken to increase agricultural productivity.

In June 2012, the government announced establishment of industrial clusters zones countrywide, to be supported by appropriate industrial infrastructure for SMEs. This is meant to add value to agriculture products, making them competitive in export markets. In order to ease

credit constraints, the government has announced recapitalisation of the Development Bank of Zambia, a government owned institution providing long-term finance. Improving the recovery of loans by the Citizens Economic Empowerment Commission is also expected to avail resources to new applicants, especially the micro, small and medium entrepreneurs, which are hugely credit constrained. The banking sector is also expected to continue playing its intermediation role, with products designed for agriculture-related SMEs.

Tourism

The government continues to put emphasis on the development of tourism sector, viewed as a new growth frontier sector. Current challenges in the sector include uncompetitive tourism products characterised by the high cost of rooms and consumables and poor access to tourism sites. Thus, opening up pristine tourism spots outside the traditional tourism hub of Livingstone remains top priority on the government's policy agenda. Accordingly, the government has upgraded major roads and related infrastructure leading to attractive yet unexploited tourism facilities. In 2013, Zambia and Zimbabwe will jointly host the 2013 United Nations World Tourism Organisation Conference. The government will leverage on this conference to portray Zambia to the world as a preferred tourism destination. The conference will also be an opportunity to highlight Zambia's investment potential in the tourism industry.

A ban on the hunting of lions and leopards was announced by the minister of tourism, Sylvia Masebo, in January. She reported that there are no longer enough of the big cats for hunting purposes. 'The cats are gone, and no amount of convincing from any sector or group will convince me otherwise,' she said. The ban comes as conservationists warned that wildlife populations now face a greater threat from poaching than at any time since the 1980s.

Growth in the construction industry is expected to gain from increased public infrastructure investments, including the launch of the Link 8000 road network, and energy projects. Services growth will be driven by improvements in telecommunications, financial services, retail, and the public sector. Investors' concerns about the fate of Zamtel have now eased. Zamtel was privatised and sold off to the Libyan owned LapGreen but later repossessed following a public inquiry commissioned by the new government revealing

irregularities of sale. The telecommunications industry is primed for further growth. However, poor connectivity, particularly of the internet, and high costs of mobile phone calls remain the vexing challenges facing the information communications and telecommunications sector.

Zambia's economic prospects are however subject to a number of risks. The country's dependence on the mining sector continues to expose the economy to external vulnerabilities, such as demand and price shocks. With the global economy still plagued by uncertainty, demand for copper could remain depressed, even with China showing signs of recovery. This could adversely put a cap on a rally in copper prices, and consequently delay recovery of the mining industry, harming economic growth. In the agricultural sector, the recent infestation of cropland by arm worms in parts of the country could adversely affect agriculture. Given that Zambian agriculture is predominantly rain-fed, adverse weather conditions - poor rainfall or floods - could jeopardise the sector's growth prospects.

Although investors' concerns have somewhat eased following the 2011 elections, there are still lingering doubts that could raise expectations of possible policy reversals, causing investors to hold back on planned investments. In the worst-case scenario, investors could completely downsize their investments. Table 2 provides a snapshot of GDP growth by sectors.

Politics

Zambia held its sixth consecutive multi-party elections in September 2011, which were won by the opposition Patriotic Front, ousting the Movement for Multiparty Democracy that had held power since 1991. While challenges remain in the current political landscape, democratic institutions are being strengthened.

The new government, under President Michael Sata, has retained the broad development policy framework laid out by the previous regime, namely the National Vision 2030, the Sixth National Development Plan 2011-15 and Medium Term Expenditure Frameworks. The government's development path places strong emphasis on job creation, especially for women and youth. In order to improve service delivery throughout the country, the president has created a new Province and established new districts by dividing up large ones. These initiatives are outlined in the party's Manifesto.

The government has made the fight against corruption another priority. However, despite numerous reforms to tackle graft, Zambia's ranking on the corruption index has not significantly improved. In 2012, Zambia was 88 on Transparency International's *Global Corruption Perception Index* out of 176 countries surveyed. This represented only a slight improvement over 2011 when the country was ranked 91 among 183 countries. The administration has repeatedly announced bold measures to reduce corruption and improve overall governance and transparency.

Reflecting these efforts, the 2012 Mo Ibrahim Index of African governance ranked Zambia 12 out of 52 countries surveyed. This represented an improvement from 16 in 2011. Zambia is one of only seven countries demonstrating significant improvements on the Mo Ibrahim Index in overall governance since 2000.

Risk assessment

| | |
|--------------------|------|
| Politics | Fair |
| Economy | Fair |
| Regional stability | Fair |

COUNTRY PROFILE

Historical profile

1851 British missionary David Livingstone visited central Africa.

1880s British settlers followed Livingstone and the British South Africa Company, headed by British imperialist and financier, Cecil John Rhodes, opened its first copper mine at Broken Hill (later Kabwe) in 1908.

1924 The colony was put under direct British rule.

1953–63 Northern Rhodesia (later Zambia) was part of the British-sponsored Federation of Rhodesia and Nyasaland.

1960 The United National Independence Party (UNIP) was formed by Kenneth Kaunda to campaign for independence and the dissolution of white minority rule.

1964 Zambia gained independence under the presidency of Kenneth Kaunda. The government supported Marxist rebels in Mozambique, independence movements in Rhodesia (later Zimbabwe) and the African National Congress (ANC) in South Africa. This led to internal security problems and financial difficulties as Zambia's colonial neighbours attempted to destabilise the country.

1964–1970s Key enterprises and land were nationalised.

1972 Zambia became a one-party state with UNIP as the only legal party.

1975 The Tanzania-Zambia Railway Authority (Tazara) open the rail line linking the Zambian Copperbelt to the Tanzanian

port of Dar es Salaam, reducing the country's dependence on Rhodesia and South Africa for port access.

1976 Zambia gave support to Rhodesia's bid for independence and its eventual transformation from white minority rule into Zimbabwe.

1989 Zambia began a programme of austerity measures to stabilise the economy, following a long-term fall in the price of Zambia's chief export, copper.

1990 Food riots heightened calls for an end to one-party rule.

1991 Multi-party elections were held in which Kaunda was defeated by Frederick Chiluba and the Movement for Multi-party Democracy (MMD).

1996 The MMD and President Chiluba were re-elected in a landslide victory.

1999 Angolan terrorists attacked sites in Lusaka and the Indeni Oil Refinery in Ndola was sabotaged.

2000 Kaunda resigned as leader of UNIP.

2001 The MMD was re-elected although the opposition said the elections were flawed.

2002 Levy Mwanawasa (MMD) was inaugurated as president. The government excluded genetically modified (GM) maize from its accepted imported foodstuffs.

2003 Former president Frederick Chiluba's immunity from prosecution was removed and he was arrested and charged on 59 counts, including corruption and abuse of office.

2004 The court case against Chiluba was dropped but he was quickly re-arrested and charged with embezzling US\$488,000 from state funds.

2005 The World Bank approved a US\$3.8 billion debt relief package, which wrote off over 50 per cent of Zambia's debt. The International Monetary Fund (IMF) and Japanese government also cancelled outstanding debt worth around US\$577 million and US\$692 million respectively. President Mwanawasa appealed for food for millions of Zambian citizens as drought caused widespread hunger.

2006 The government announced that as a result of the US\$4 billion of debt relief, healthcare for people living in the rural areas would be provided free of charge. In presidential elections incumbent Levy Mwanawasa (MMD) won with 43.0 per cent of the vote. In parliamentary elections, the MMD won 72 out of 150 directly elected seats. It was announced that the first deposits of oil and gas had been found in the border region with Angola (Africa's second largest oil producer).

2007 A large mining investment zone was inaugurated by Chinese President Hu Jintao. The UK High Court ruled that former president Chiluba had conspired,

along with four aides, to defraud Zambia of around US\$46 million.

2008 President Mwanawasa died in France, following specialist treatment for a stroke. Vice President Rupiah Banda became interim president until elections could take place. There was no obvious successor; Mwanawasa was reported to have said that the next president should come from a different province from previous presidents Kaunda (Northern), Chiluba (Luapula) and himself (Central), although his wife, Maureen, was said to be 'considering her position'. In the presidential elections, Rupiah Banda (MMD) won with 40.1 per cent of the vote, while Michael Sata (PF), the closest contender won 38.1 per cent. President Banda was sworn into office (on 3 November) until 2011, when former President Mwanawasa's term would have ended.

2009 The government began to liquidate the dept owed to the Co-operative Bank (closed in the 1990s) of US\$23 million, of which around US\$11.5 million had been paid to the Zambia Co-operative Federation supporting farming investment. Ten Chinese companies committed US\$600 million in the Chambishi economic and trade co-operation zone (particularly in mining, construction and steel production). The ministry of finance released US\$31.4 million to build sealed roads, mainly from Leopards Hill to Chanda and Ibex Hill. Former president Frederick Chiluba was acquitted of all charges of corruption. The IMF agreed to the immediate disbursement of US\$81.2 million as part of the Poverty Reduction and Growth Facility (PRGF) arrangement; the total amount of disbursement approved was US\$329.7 million.

2010 Around 30,000 small-scale farming households, mostly headed by women, were eligible for a US\$20 million loan from the International Fund for Agricultural Development (Ifad). The programme focused on stimulating rural economic development through small-scale production. The Global Fund to Fight Aids, Tuberculosis and Malaria (Global Fund) suspended operations in Zambia due to fraud and the Zambian authorities failure to take appropriate action to safeguard Global Fund grant programmes. A railway line between Zambia and Malawi was inaugurated; the Chipata-Mchinji railway line will be extended to Mozambique.

2011 Reuters reported in January that Chinese investment in 2010 exceeded US\$1 billion and created over 15,000 jobs. Zambia's first democratically elected president, Frederick Chiluba, died in June at the age of 68. Presidential elections were held in September in which three candidates took part. Michael Sata (

Patriotic Front) (PF) won 43 per cent of the vote; incumbent, Rupiah Banda (MMD) won 36.1 per cent and Hakainde Hichilema (UPND) 18 per cent. In a move to reassure foreign investors, President Sata's first official appointment after being sworn in was with the Chinese ambassador. He warned that while he welcomed Chinese companies, they must comply with Zambian law. In parliamentary elections also held September, the opposition PF won 38.25 per cent of the vote, (60 seats out of 150), ousting the MMD from its 20-years in office. President Sata's administration took with Guy Scott, a white parliamentarian, appointed as vice president.

2012 On 12 March MMD was stripped of its legal status for not paying fees for the past 20 years. On 5 August rioting miners killed a Chinese manager and injured a second, during protests at the delay in implementing a new minimum wage. On 10 October, the Global Fund signed an agreement with the Churches Health Association of Zambia to provide US\$102 million to support the national response to HIV infections. The activities are to include prevention of mother to child transmission, promoting male circumcision, reducing new infections and maintaining a high coverage of impact mitigation. On 21 November the government granted environmental approval to the Canada-based First Quantum Minerals, for a planned US\$640 million, 300,000 tonnes per year copper smelting operation at its existing Kansanshi mine. By 29 November around 580 (Democratic Republic) Congolese refugees, including 409 children had found sanctuary in Luapula Province. 2013 Tourism minister, Sylvia Masebo, announced in January the banning of hunting of lions and leopards. The ban comes as conservationists warned that wildlife populations now face a greater threat from poaching than at any time since the 1980s. Former President Rupiah Banda pleaded not guilty on 5 November to a charge of corruption alleged to have occurred during the 2011 election campaign.

Political structure

Constitution

In November 1991, Zambia's one-party state was replaced by a multi-party democratic system based on a new constitution. In 1995 the ruling Movement for Multi-party Democracy (MMD) revised the constitution. The Zambia Law Association criticised the new constitution on the grounds that it allows parliament to make retrospective laws and that a president could be elected on receiving the highest number of votes cast even if these amounted to less than 50 per cent. It also

condemned amendments to the Bill of Rights of the 1991 Constitution without a referendum. A controversial Bill passed by President Chiluba on 28 May 1996 made further amendments to the constitution: future presidential candidates must be second-generation Zambians.

Independence date

24 October 1964 (from UK)

Form of state

Republic

The executive

Executive power is held by the president elected by universal suffrage for a five-year term. The constitution provides for a cabinet appointed from within parliament and gives it extra powers. The president does not have the right to declare martial law. The president must obtain parliamentary approval to impose a state of emergency longer than seven days.

National legislature

The unicameral National Assembly has 158 members in total; 150 are elected by popular vote in single seat constituencies and eight members are appointed by the president, all serve for five-year terms.

Legal system

The president appoints judges and nominates the chief justice. Courts include the Supreme Court of Zambia and the High Court.

Last elections

20 September 2011 (presidential); 23 September 2011 (parliamentary)

Results: Presidential: Michael Sata (Patriotic Front) (PF) won 43 per cent of the vote; Rupiah Banda (MMD) 36.1 per cent and Hakainde Hichilema (UPND) 18 per cent.

Parliamentary: the Patriotic Front (PF) won 38.25 per cent of the vote, (60 seats out of 150), Movement for Multi-party Democracy (MMD) 33.56 per cent (55), United Party for National Development (UPND) 16.99 per cent (28), Alliance for Democracy and Development (ADD) 1.18 per cent (one), Forum for Democracy and Development (FDD) 0.75 per cent (one); three independent candidates each won a seat and 15 other political parties failed to win any seats. Turnout was 53.98 per cent. Two seats remained vacant, pending by-elections.

Eight additional parliamentary members were appointed by the president, to make a total of 158 members of parliament (MP).

Next elections

2016 (presidential and legislative)

Political parties

Ruling party

Patriotic Front

Main opposition party

Movement for Multi-party Democracy (MMD)

Population

13.92 million (2012)* (13,046,508; 2010, census figure)

Around 58 per cent of the total population is under 15 years of age. The majority of people live in the northern Copperbelt towns and Lusaka.

Last census: 16 October 2010: 13,046,508

Population density: 13 inhabitants per square km. Urban population 36 per cent (2010 Unicef).

Annual growth rate: 2.5 per cent, 1990–2010 (Unicef).

Ethnic make-up

There are 73 ethnic groups in Zambia. The largest single group, comprising 34 per cent of the population, is the Bemba (north-east and Copperbelt areas). Other important groups include the Tonga of the southern province with 16 per cent of the population; the Nyanja of the eastern provinces (14 per cent) who are well represented in the capital, Lusaka; and the Lozi (9 per cent) of the west.

The European population live and work mostly in the urban areas, or on the farmlands along the railway lines. A high proportion of the Asian community is to be found on the Copperbelt and other urban centres.

Religions

Christian, Muslim and indigenous beliefs. Approximately 70 per cent of the population is Christian (mainly Roman Catholic and Protestant).

Education

The HIV/Aids crisis in sub-Saharan Africa has not only undermined public investment in education but has also contributed to the shortage of trained teachers, in 2001 815 primary school teachers, or 45 per cent of teachers trained that year, died of Aids. This has resulted in declining literacy rates and low levels of school enrolment. Enrolment rates for the richest households are more than one-third higher than for the poorest households. A first cycle primary education begins at age seven, lasting until age 11, then three years in a second cycle primary school prepares children for exams to determine progression to a junior secondary school for two years until aged 16 when successfully completed exams allow progression into senior secondary school for the last two years. There are two universities that provide higher education and several specialist institutions providing professional and vocational training.

The government has developed a strong education sector reform through the Basic Education Sub-sector Investment

Programme (Bessip), which has set a target of universal primary school enrolment for just under half a million children by 2005. Annual government expenditure during the first phase of the reform amounted to US\$56 million, excluding contributions from international donors for the projects. The scheme aims to construct 2,000 additional classrooms and improve training in rural schools. Zambia spends typically less than 3 per cent of GDP on education.

Literacy rate: 80 per cent adult rate; 89 per cent youth rate (15–24) (Unesco 2005).

Compulsory years: Seven to 13.

Enrolment rate: 89 per cent gross primary enrolment; 27 per cent gross secondary enrolment, of relevant age groups (including repeaters) (World Bank).

Pupils per teacher: 39 in primary schools.

Health

Healthcare is provided free in state-funded hospitals and commercially in private sector clinics. Rural health care is rudimentary and frequently provided only by missionary hospitals and clinics. State funding cut-backs have led to severe shortages of medical equipment and staff. Many medical posts are unfilled for lack of funds. The government is keen to encourage private investment in hospitals and believes foreign investment provides the key to the redevelopment of the health sector.

Improved water sources are available to 64 per cent of the population.

HIV/Aids

Zambia has one of the highest rates of HIV in Africa. It is estimated that 42 per cent of hospital beds are occupied by HIV/Aids sufferers.

The impact on households is severe, with children often kept from attending school in order to help with harvesting of subsistence crops. Studies show that around 55 per cent of households affected by HIV/Aids are unable to pay school fees. Households affected by HIV/Aids have on average 30–35 per cent less income than those who are not affected. Around 60 per cent of families of Aids sufferers endure food shortages and malnutrition as a direct result of the disease.

Zambia, as one of the poorest countries in the world, has been identified as in need of international aid to fight the disease.

On 10 October 2012, the Global Fund signed an agreement with the Churches Health Association of Zambia to provide US\$102 million to support the national response to HIV infections. The activities are to include prevention of mother to child transmission, promoting male

circumcision, reducing new infections and maintaining a high coverage of impact mitigation

HIV prevalence: 15.6 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 40 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate: 6.3 births per woman, 2010 (Unicef); maternal mortality 6.5 per 1,000 (World Bank).

Child (under 5 years) mortality rate (per 1,000): 89 per 1,000 live births (WHO 2012); 28.1 per cent of children aged under 5 are malnourished (World Bank).

Head of population per physician: 0.12 physicians per 1,000 people, 2004 (WHO 2006)

Welfare

Zambia is one of the poorest countries in the world, with an estimated 80 per cent of its 11 million people living in desperate poverty. In December 2003 the statistics office stated that 'the food basket... was K528,529 for a family of six. The same family on average was expected to live on K758,961 for all their basic needs'. The government provides some basic welfare for pensioners, children and people affected by disasters.

The Pension Scheme Regulation Act of 1996 provides a regulatory framework for private pension schemes. The Zambia National Provident Fund (ZNPF) was successfully transformed into the National Pension Scheme Authority (Napsa) in early 2000. The weaknesses of ZNPF, which included poor benefits, delays in payment and ineffective record keeping were critically examined to overcome similar problems for the Napsa. The economic difficulties in Zambia and the low retirement age of 55 made it necessary for Napsa to begin with modest benefits. The scheme offers three principal benefits namely retirement, invalidity and survivors' benefits. Additionally, it provides a funeral grant.

The scheme is based on the principle of social insurance and requires compulsory financial contributions from both employees and their employers at a rate of 5 per cent each. Retirement benefit is paid on the basis of a minimum contributory period of 15 years. The scheme is basic to allow the development of private occupational pension schemes.

Main cities

Lusaka (capital, estimated population 1.5 million in 2012), Kitwe (561,524), Ndola (517,975), Kabwe (220,784), Chingola (182,946), Mufulira (143,516), Livingstone (141,195), Luanshya (134,180), Kasama (120,041), Chipata (117,839).

Languages spoken

English is the usual medium for business. There are 73 identified African languages, all Bantu, of which a number are recognised as official vernaculars – Chitumbuka-Chisenga, Tonga, Silozi, IchiBemba, Kaonde, Luvale, Lunda and Chinyanja. Zambian traders usually have a working knowledge of English.

Official language/s
English

Media

Freedom of the press is constrained by legal provisions, which have led to self-censorship.

Press

Since 1996 readership has been falling and prices have risen by 500 per cent so that newspapers have become a luxury item for most Zambians. Most newspapers are distributed in the capital and Copperbelt towns, while the rest of the country receives copies 1–3 days after publication.

Dailies: The government owns two newspapers, *Times of Zambia* (www.times.co.zm) and *Zambia Daily Mail* (www.daily-mail.co.zm); *The Post* (www.postzambia.com) is privately owned.

Weeklies: Dailies publish Sunday papers including *Sunday Mail* and *Sunday Times*; independent publications include *The Monitor* and *National Mirror* (church owned).

Business: Publications include *The Lusaka Times* (www.lusakatimes.com) and the *Zambia Daily Mail* have sections on business and the economy. Periodicals include *The Zambian Marketer* and *Development Zambia* published by (www.langmead.com).

Periodicals: Langmead and Baker (www.langmead.com) publishes several magazines aimed at various special interest groups.

Broadcasting

The state-run Zambia National Broadcasting Corporation (ZNBC) is the dominant organisation in broadcasting.

Radio: ZNBC has four networks with two broadcasting in English, one in local languages and the fourth which carries commercials.

Radio Phoenix (www.radiophoenix.co.zm) is a national commercial radio network; there are a number of local commercial radio stations in operation including Q-FM and Mazabuka Community Radio and Breeze FM (www.breezefm.makeni.net). There are several religious content radio stations.

Television: ZNBC operates the only public terrestrial network with one channel. There is no Zambian based satellite operation, although the MultiChoice Zambia

services can be received from South Africa.

National news agency: Zambia News Agency

Economy

Zambia's wealth is generated by the primary industries of agriculture and mining. Industry constituted 37.2 per cent of GDP in 2010, of which manufacturing accounted for 9.2 per cent; the service sector constituted 53.6 per cent of GDP and agriculture also accounted for 9.2 per cent of GDP.

Its main economic zone follows the line of rail southwards from the Copperbelt around Ndola and Kitwe, through Lusaka, the capital, to Livingstone on the border with Zimbabwe. This area has been subject to urbanisation, although the rest of the country is relatively sparsely inhabited. Of the projected US\$6.85 billion of total exports in 2010, US\$5.46 was earned through copper ore exports. Despite the fall in volume of ore exported, high world prices (41 per cent higher in 2010 than in 2009) ensured record sales which presented Zambia with a trade balance of US\$2.12 billion (up from US\$906 million in 2009). Other minerals include cobalt, nickel and uranium, coal, gold, silver and emeralds.

Around 60 per cent of the population live rural lives, earning a livelihood from working on the land. The majority of farms are small-scale with low productivity, leading to food insecurity. Maize is the staple diet and when weather provides the optimum rainfall bumper harvests are attainable. However Zambia is subject to droughts and flooding. Cash crops include coffee, tea, cotton, rice, groundnuts, tobacco, sugarcane and cut flowers. The government is investing in the agricultural sector to improve soil, seeds and equipment to increase productivity. Despite the global economic crisis that cut world trade and investment, Zambia avoided going into recession with GDP growth averaging 6.7 per cent over 2007–10; growth in 2011 was estimated at 5.9 per cent. However high inflation has been a long-term problem and from 2007–09 it averaged 12.2 per cent due to record high world food and fuel prices, before falling to 8.5 in 2010 and remaining as low in 2011 with an estimated 8.7 per cent.

In the medium-term GDP growth is expected to be led by copper production as the Luanshya Copper Mine reopened in 2011 and Zambia's total copper production was projected to reach 850,000 tonnes. Other investment projects include infrastructure and increased electricity generation to provide greater capacity.

The government began economic reforms in 2005, including diversification, to reduce the country's reliance on copper, as the International Monetary Fund (IMF) and World Bank provided large debt relief financing to Zambia.

Full donor support and free market reform have had little impact on poverty and per capita income remains low, having only risen from US\$947 in 2006 to US\$1,174 by 2010 despite the strength of the economy.

In 2011, the UN Human Development Index (HDI) ranked Zambia 146 (out of 187) for national development in health, education and income. Since 2000, Zambia's progress has grown but has not matched the improvement of other countries in sub-Saharan Africa. In 2010, 51.2 per cent of the population experienced at least one indicator of poverty, while the headcount poverty rate was 64.2 per cent of the population (2000–10).

Unemployment and underemployment are significant problems, with around half the population falling into either of these categories. Remittances in 2010 were US\$44 million (0.3 per cent of GDP), which were estimated to have risen to US\$45 million in 2011.

External trade

Zambia is a member of the Common Market for Eastern and Southern Africa (Comesa), and operates a free trade area with 13 of the 19 member states. It is also a member of the Southern African Development Community (SADC), the objectives of which include reducing trade barriers, achieving regional development and economic growth and evolving common systems and institutions. In 2009 international donors pledged US\$1 billion to upgrade transport links across eastern and southern Africa, in an initiative to carry goods to market cheaper and faster. Not only will roads and rail links be improved, but also time-consuming official procedures will be streamlined for efficiency.

There are valuable reserves in minerals including copper, lead, zinc, cobalt and gemstones. Agricultural products are also important exports along with electricity.

Imports

Principal imports are petroleum and derivatives, capital machinery, electricity, fertiliser, foodstuffs and clothing.

Main sources: South Africa (35.7 per cent of total in 2011), Democratic Republic of Congo (18.5 per cent), China (9.8 per cent).

Exports

Principal exports are copper, cobalt, electricity, maize, tea, cotton, rice, groundnuts, tobacco, sugarcane, vegetables, flowers and cotton.

Main destinations: Switzerland (48.9 per cent of total in 2011), China (16.7 per cent), South Africa (9.3 per cent).

Agriculture

About 10 per cent of Zambia's 600 million hectares is arable land but only around 30 million hectares are under cultivation. There are more than 300,000 smallholders, mostly subsistence farmers, earning cash from growing mainly cotton and tobacco. About 500 highly mechanised commercial farms and estates account for 40 per cent of marketed crops and animal produce. The country has abundant perennial and underground water resources. Power generated by hydroelectric installations has been extended to some farming areas. In the wetter northern part of the country, tea and coffee thrive at the higher altitudes, with maize and millet at lower levels. The climate of the central province suits maize, soya beans, cotton and tobacco. The south and west are drier and suit sorghum, tobacco, cotton and groundnuts.

Agriculture accounts for approximately 21 per cent of GDP. Most state-run farms have been privatised. One problem that the industry faces is that much of the land is under tribal authority and difficult to access. In order to tackle this problem, the government has set up areas of virgin land, such as the Tazara Corridor Services (Tazcor), which are open for investment. Government policy has long been to achieve self-sufficiency in food production, increase exports and improve the supply of inputs to peasant farmers. Measures have included a wide range of production incentives, comprising preferential tax and loan rates, the encouragement of foreign investment and improvements in producer prices. The 2004 budget included a proposal to give away land to local and foreign investors.

Official policy has also encouraged new crops for export which include coffee, flowers and exotic vegetables for European markets. In contrast to these successful new crops, cashew nut production has failed to penetrate European markets. Regional integration means that farmers are finding foreign competition difficult as high production costs, high taxation levels and cheap imports continue to undermine their competitiveness. The country is marginally self-sufficient in food with maize surpluses in times of good weather.

The shutdown of air travel in Europe in April 2010, caused by the Icelandic volcanic ash cloud, resulted in the horticultural sector losing around US\$150,000 per day over the six-day period of closure, as flowers and vegetables had to be discarded. V

Annual commercial fish production is estimated at 70,000 tonnes. The sector suffers due to infrastructural difficulties, including lack of input supply, such as nets and boats, poor transport and storage facilities. The private sector has stepped up investment in fish marketing and distribution, fish farming and manufacturing of nets and boats.

The Department of Fisheries in Zambia and the Department of National Parks and Wildlife Management in Zimbabwe, with the co-operation of Norway and Denmark, have undertaken a project to facilitate the sustainable utilisation of the shared fisheries resources on Lake Kariba. Forest and other wooded land accounts for 42 per cent and 37 per cent of the total land area respectively. Although nearly half of Zambia's land area is covered by forest, there are only a few commercially exploitable tree species. It is estimated that forests cover some 31.2 million hectares (ha), with most being open savannah woodlands and *miombo* woodland comprising around 80 per cent of the country's vegetation. There are large networks of protected areas constituting 32 per cent of the forests with around 20 national parks and more than 30 game management areas.

Charcoal is a significant cooking and heating fuel in rural areas but, in some regions, woodland has been ravaged and a severe shortage of charcoal is expected unless there is government sponsored re-planting. There is some export of sawn timber, while most of the demand for paper products is met by imports.

Industry and manufacturing

Industry contributes around 27 per cent to GDP in 2004. The sector employs 8 per cent of the labour force.

Macroeconomic stabilisation and divestiture of state assets has led to a severe contraction in these sectors of the economy. The government is no longer willing to subsidise the industrial and manufacturing sector. This change contrasts vividly with policy in the 1960s and 1970s whereby vast copper profits were used to establish one of the largest parastatal economies in Africa.

Targetted sectors for development include agriculture-derived processed products and non-traditional exports such as textiles, chemicals and engineering products. Industrial production increased by 5.1 per cent in 2003.

Tourism

One of the world's most spectacular waterfalls, the Victoria Falls, is located in the Mosi-oa-Tunya National Park and is included on Unesco's World Heritage List. The site is a major tourist resort with facilities for visitors built around the shores of

the Zambezi River, at the head of the falls. The collapse of neighbouring Zimbabwe's tourist industry benefitted Zambian tourism, as visitors discovered that the Victoria Falls can be viewed from the Zambian side. However as Zimbabwe's political situation improves this advantage fades. Other tourist attractions include safari tours (Zambia pioneered walking safaris in the Luangwa national parks), Lake Kariba for its house-boating excursions and various animal reserves and sanctuaries. Activities include many extreme sports, plus more leisurely cultural tours. In January 2013 the hunting of big cats (lions and leopards) was banned. Although hunting brought in US\$3 million in 2012, the ministry of tourism considers that it is more important to promote game viewing for the longer term.

The government recognises the sector's importance and although it was aiming to attract a million visitors annually by 2010, the number only reached 815,000 as the global economic crisis had depressed the market in general.

Travel and tourism contributed an average 5.8 per cent of GDP (2007–11) and provided employment to 3.9 per cent of the workforce (59,580 jobs), over the same period.

Mining

Zambia has enormous mineral wealth, with major deposits of copper, cobalt, lead, zinc, emeralds, aquamarine, amethyst and tourmaline. It also has small reserves of selenium, manganese, tin, nickel, iron, gold, silver and diamonds. The mining sector contributes around a fifth of GDP, is Zambia's paramount employer, directly employing 50,000 workers (around 10 per cent of the workforce). Copper and its by-products, mostly cobalt, account for around 90 per cent of mining production and mining exports. Zambia is also the second largest producer of cobalt (8,165 tonnes in 2004) after the Democratic Republic of Congo (DRC) (9,979 tons in 2004) and has one of the world's largest reserves. Substantial amounts of cobalt can be recovered from the copper slag heaps, for which Canada's Colossus Resources obtained a 25-year contract with the Zambia Consolidated Copper Mines (ZCCM) signed in 2000. The Nkana and Mufulira cobalt mines and refineries produce 1,800 tonnes per year (tpy) of cobalt. The Nkana and Nchanga mines produce more than half of Zambia's copper and 70 per cent of its cobalt.

In 2002, Anglo American decided to formally quit its mining operations at the Konkola Copper Mines (KCM), which sought a new strategic equity partner. Anglo American's withdrawal followed nine

years of negotiations over the privatisation of the mines and two years of operation. The decision was prompted by the drop in KCM's assets and high running costs (including US\$350 million expenditure on upgrading facilities), while world metal prices were at the time low. The government pledged to keep the mines open and finally in 2004 a formal agreement with Vedanta Resources Plc was announced whereby Vedanta Resources acquired a 51 per cent controlling stake in KCM for US\$48.2 million in cash.

Vedanta plans to expand production from the current (2005) 2 million tonnes per year (tpy) to 6 million tpy.

There is very little mining activity outside the Copperbelt although base metal exploration has continued in other regions. Zambia is prospecting for chromium, nickel, tin, tantalite and iron ore. The government allows private sector purchase and export of gemstones. Mining companies can retain 50 per cent of foreign exchange earnings.

Zambia contains approximately a quarter of the world's gem emeralds and accounts for an estimated 20 per cent of output of rough emeralds. Other gemstones mined on a smaller scale include amethysts in the Southern Province near Lake Kariba and Kalomo. Deposits of aquamarine and tourmaline are mined for the jewellery trade. Production of gemstones is estimated to be worth US\$200 million annually.

The steep fall in global copper prices from US\$9,000 per 8,165 tonnes in 2008 to US\$3,000 in March 2009, brought mine shutdowns in the Copperbelt, leaving thousands of miners unemployed.

Hydrocarbons

There are no known oil or gas reserves and Zambia is dependent on imported fuel supplies. Petroleum imports in 2008 were 16,000 barrels per day (bpd). The 1,710km Tazama pipeline from Dar es Salaam, Tanzania, supplies oil to the Indeni refinery at Ndola, which has a capacity of 24,000bpd.

Zambia does not import natural gas. Proven coal reserves were around 78.2 million tonnes in 2008. Zambia's major coal supplier, Maamba Collieries, used to produce 600,000 tonnes per annum in the 1980s but output has been severely cut due to undercapitalisation. Zambia uses coal in the mining transformation process. All coal produced is consumed and fulfils all domestic demand.

Energy

Total installed generating capacity was 1.64 gigawatts (GW) in 2007, producing around 9.3 billion kilowatt hours. Hydropower provides virtually all domestic

energy, mostly from plants at Kafue Gorge, Kariba North and Livingstone. The parastatal, Zambian Electricity Supply Company (Zesco), generates, transmits and distributes electricity, with continued responsibility of connecting districts to the national grid. Demand for electricity is expected to grow to 2.5GW by 2013.

The mining industry consumes around 70 per cent of all energy generated; only 10 per cent of the population has access to electricity. New owners of the Maamba Collieries are contracted to build a new 350MW thermal power station.

Zambia also owns the Central African Power Corporation (CAPC) with Zimbabwe. CAPC operates the two Kariba power stations. The country exports energy under the Southern African Development Community (SADC) agreement to Zimbabwe, Botswana, Namibia and Tanzania and is connected to the Democratic Republic of Congo (DRC) (from which Zambia also imported electricity) and South Africa.

The World Bank has agreed to lend Zambia US\$75.5 million to boost generation. Contracts for the planned Itzhi-tezhi hydropower plant, on the Kafue River in the southern province, which will have a capacity of 120 megawatts, were let in 2008.

Financial markets

Stock exchange

Lusaka Stock Exchange (LuSE)

Banking and insurance

Zambia's banking sector has undergone a period of crisis and change. The liberalisation of the economy during the 1990s gave rise to the launch of a number of banks. Poor management and over-banking led to the closure of a number of these banks, prompting a wave of concern among investors and depositors who lost money.

In March 2003 the government first directed the Zambia Privatisation Agency (ZPA) to privatise the main state owned commercial bank, Zambia National Commercial Bank. 49 per cent of its shares were to be sold to a qualified investor with management rights, 25.8 per cent were to be offered to the Zambian public through the Zambia Privatisation Trust Fund (ZPTF), 25 per cent were to be retained by the government and the existing minority shareholders, who held 0.2 per cent, were to retain their shares. The ZPA called for tenders to be received by September 2005.

The largest commercial banks, Barclays Bank of Zambia and Standard Chartered Bank Zambia, are foreign-owned. However, since January 1972 all foreign-owned banks have been required to incorporate locally.

There are several state-owned development banks and other private financial institutions. The Development Bank of Zambia offers medium- and long-term loans and business consultancy services. The Agricultural Finance Company and Zambia Agricultural Development Bank were merged and renamed the Lima Bank. The government-owned Zambia State Insurance Corporation (ZSIC) is the major insurance company in Zambia. Other development banks include the state-owned Zambia National Building Society.

Central bank

Bank of Zambia

Main financial centre

Lusaka

Time

GMT plus two hours

Geography

Zambia is landlocked, bordered to the south by Zimbabwe and the Caprivi Strip (an extension of Namibia); to the south-east by Mozambique; to the east by Malawi; to the north-east by Tanzania; to the north and north-west by the Democratic Republic of Congo (DRC); and to the west by Angola.

About nine-tenths of the country is a high rolling plateau (900–1,200 metres above sea level) covered by savannah bush and woodland. The only relief from the monotony of the plateau is the Zambezi and Luangwa rift system. The Luapula River, part of the Congo River system, cuts into the northern part of the plateau.

Zambia takes its name from the Zambezi River. At 2,655km long, this is the third longest river in Africa.

Hemispheres

Southern

Climate

Altitude governs Zambia's climate and it is generally cooler than its neighbours.

There are three distinct seasons: cool and dry from May to August; hot and dry from September to October; and rainy from November to April. Rainfall varies widely across the country. The average temperature is 16 degrees Celsius (C) in the winter and 24 degrees C in summer.

The Zambezi and Luangwa river valleys can remain hot and humid all year, typical of tropical lowlands. They are particularly uncomfortable in the rainy season.

Dress codes

The contrast between morning, midday and evening temperatures means that a sweater is often required in the early morning and after sunset between April and September. A light raincoat or umbrella is useful during the wet season from November to April.

Dress is generally informal. Lightweight suits can be worn for most of the year; during the hot season tropical suits are preferable. Tailored safari suits are popular. A hat and sunglasses are useful for protection against the sun.

Most women wear cotton or other lightweight dresses during the day and evening. Warm dresses and lightweight coats are needed during the coldest season, June to August.

Entry requirements

Passports

Required by all; it must be valid for six months beyond the date of stay and with sufficient space for a visa.

Visa

Required by all, exceptions include those listed on the *Visa Application Instructions* (items 4 and 5) and for tourist visits only, see www.zambiaembassy.org. Tourist visas can be obtained at all border crossings, fees will be levied in cash, usually sterling or dollars (exact amounts as change may not be available).

A proposed tourist *univisa* (a single visa to visit all 15-member states of SADC: Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe) is expected to be in use by 2013. Visitors should check with the appropriate consulates to confirm start of *univisas* and their scope before beginning a tour of southern Africa.

All business visits require a visa, obtained in advance. Applications should include an invitation from a local company or organisation giving brief details of the nature of business, a full itinerary and proof of onward/return passage.

Currency advice/regulations

The import and export of local currency is limited to K100. The import of foreign currency is unlimited but must be declared, and bank notes with denominations over US\$5,000 (or equivalent) must be recorded with customs; export is limited to the amount declared. Retain all official currency exchange forms and receipts (they are also necessary for purchase of domestic airline tickets). Use only authorised banks and *bureaux de change* for currency conversions.

Travellers cheques, in major currencies, are widely accepted.

Health (for visitors)

Mandatory precautions

A yellow fever vaccination required. A cholera vaccination certificate is required if arriving from an infected area.

Advisable precautions

Vaccinations for diphtheria, tetanus, polio, hepatitis A and typhoid are recommended. Other vaccinations that may be

appropriate are tuberculosis, hepatitis B, meningitis, cholera and yellow fever (if travelling to the remote border region with DRC and Angola).

A malignant malaria is present (*falciparum*, which is resistant to chloroquine) from November to May throughout the country and all year in the Zambezi valley. Use malaria prophylaxis including mosquito repellents, sleeping nets and clothing that fully cover the body after dark. Rabies is a risk. Bilharzia is present, use only well-maintained and chlorinated swimming pools. HIV/Aids is prevalent.

All water for drinking, brushing teeth or making ice should be sterilised when outside of the main cities. Bottled water is available. Milk is pasteurised and therefore safe. Vegetables should be cooked and fruit peeled.

Take all prescription medicines; ensure that medical insurance includes evacuation.

Hotels

Several good quality hotels are available. Hotels are graded from one to five stars by the Hotels Board. A service charge of 10 per cent, plus 10 per cent sales tax are added to all bills. Room charges must be settled in foreign currency. Some hotels require a deposit to cover the room rate and an element for food and drink to be converted to Kwacha on arrival. Tipping is not customary in Zambia but is acceptable.

Credit cards

Major credit cards are accepted in most hotels and tourist facilities. ATMs exist in larger branches in city centres only.

Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 12 Mar (Youth Day), 1 May (Labour Day), 25 May (African Day), 24 Oct (Independence Day), 25 Dec (Christmas Day).

Holidays that fall on the weekend are taken on Monday.

Variable dates

Good Friday and Easter Monday (Mar/Apr), Heroes' Day and Unity Day (first Mon and Tue of Jul), Farmers' Day (first Mon of Aug).

Working hours

Banking

Mon–Fri: 0815–1430. Some larger branches open 0816–1030 on first and last Sat of month.

Business

Mon–Fri: 0800–1230, 1400–1630.

Government

Mon–Fri: 0800–1300, 1400–1700.

Shops

Privately owned: Mon–Fri: 0800–1700, Sat: 0800–1300; state-owned: Mon–Sat: 0800–1800, Sun: 0800–1200.

Note: There are wide variations outside city centres.

Telecommunications

Mobile/cell phones

There are 900 GSM services available in large towns and cities.

Electricity supply

230V AC

Social customs/useful tips

Visitors normally entertain business guests in hotels or restaurants, while residents prefer to entertain informally at home or at their clubs. Temporary membership of clubs can normally be obtained on an introduction from friends.

Security

The stealing of cheques has become a problem in Zambia. Visitors are advised to carry travellers' cheques in small denominations and to cash only sufficient for current needs. There has also been a rise in violent crime due to the economic decline and care must be taken when travelling after dark. It is not regarded as advisable to travel by car between Lusaka and the Copperbelt after dark.

Getting there

Air

International airport/s: Lusaka International (LUN), 26km from city; duty-free shop, bar, restaurant, bank, shops, car hire; Livingstone International Airport (LVI).

Airport tax: International departures: US\$25, in cash, excluding transit passengers. Domestic departures: K12,000.

Surface

Road: There are tarred roads from Zimbabwe, Botswana, Namibia (Caprivi Strip), Democratic Republic of Congo (DRC), Tanzania and Malawi; motorists should check border post hours, and regulations concerning their vehicles. A customs bond may be required for the import of cars.

During the rainy season many rural roads are impassable. It is not advisable to travel by car between Lusaka and the Copperbelt after dark.

A road bridge across the River Zambezi between Namibia and Zambia opened in May 2004.

Rail: The Tanzania Zambia Railway Authority (Tazara) railway links Zambia to Tanzania – the connection is at Kapiri Mposhi.

Zambia Railways Limited (ZRL) connects with Democratic Republic Congo and Zimbabwe where lines run on to Mozambique, South Africa and Botswana.

Water: Services include ferries across the Zambezi river from Botswana (Kazungula) and across Lake Tanganyika from Burundi (Bujumbura) and from Tanzania (Kigoma).

Getting about

National transport

Air: There are regular flights from Lusaka, south to Livingstone and to the Copperbelt in the north. There are several flights a week from Lusaka to other centres including Mfuwe in the Luangwa valley. Charter companies also operate and are in heavy demand. There is a total of around 150 airfields and airstrips.

Road: The total network is almost 40,000km, of which about 6,500km are main roads. Surfaced roads link main centres. During the rainy season many rural roads are impassable.

Buses: Eagle Travel runs regular coach services to numerous locations including tourist sites. Non-tourist services can be irregular and crowded.

Rail: There are three main lines running from Livingstone–Lusaka, Lusaka–Copperbelt and Kapiri Mposhi to the northern border with Tanzania. There is an overnight train from Livingstone–Lusaka with sleeping carriages, running three times a week. And day-time services that take many more hours, as they stop at more stations along the line. All lengthy trips should be booked at least one week in advance.

The total network is over 2,000km and in need of investment, which through joint ventures, was agreed in 2006 between the governments of Zambia and China. New and refurbished lines, and rolling stock will provide more access to the Indian Ocean through Tanzania and Mozambique.

City transport

Taxis: These are available between airports and hotels and within town centres. They are generally unmetered.

Buses, trams & metro: A number of privately-owned companies run domestic services over a number of routes. Buses are irregular and crowded, especially during the rush hour.

Car hire

Car hire usually comes with a driver; on special request, firms may offer self-drive vehicles. The Zambia Tourist Board has authorised over 16 car-hire firms serving mainly Lusaka, Livingstone and the Copperbelt which are the major urban and tourist centres.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially

to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling (IDD) code for Zambia is +260, followed by the area code and subscriber's number:

| | | | |
|----------|---|-------------|---|
| Chingola | 2 | Livingstone | 3 |
| Chipata | 6 | Luanshya | 2 |
| Choma | 3 | Lusaka | 1 |
| Kabwe | 2 | Mongu | 7 |
| Kasama | 4 | Ndola | 2 |
| Kitwe | 2 | Solwezi | 8 |

Chambers of Commerce

Livingstone Chamber of Commerce and Industry, 29 Airport Road, PO Box 60648, Livingstone (tel/fax: 323-656; email: denmar@zamtel.zm).

Lusaka Chamber of Commerce and Industry, Farmers House, Cairo Rod, PO Box 37997, Lusaka (tel: 221-266; fax: 224-114; email: luschamb@zamnet.zm).

Zambia Association of Chambers of Commerce and Industry, Showgrounds, Great East Road, PO Box 30844, Lusaka (tel: 255-046; fax: 253-007; email: zacci@zamnet.zm).

Banking

Barclays Bank of Zambia, Cairo Rd, PO Box 31936, Lusaka (tel: 228-858/66; fax: 222-519, 226-185).

Cavmont Merchant Bank Ltd, Fourth Floor, Tazara House, Independence Avenue, PO Box 38474, Lusaka (tel: 224 280; fax: 221 643; e-mail: info@cavmont.com.zm).

Citibank, Citibank House, PO Box 30037, Lusaka (tel: 229-025/6/7/8; fax: 226-264).

Indo Zambia Bank, 686 Cairo Rd, PO Box 35411, Lusaka (tel: 225-080, 222-622; fax: 225-090).

Investrust Bank Plc, Investrust House, Plot 4527/8, Freedom Way, PO Box 32344, Lusaka (tel: 238-733; fax: 237 060; e-mail: inquiries@investrustbank.co.zm).

Stanbic Bank, Cairo Rd, Woodgate House, PO Box 31955, Lusaka (tel: 229-071/3, 229-285/6; fax: 221-152, 225-380).

Standard Chartered Bank, PO Box 32238, Lusaka (tel: 229-242; fax: 222-092).

Union Bank, Zimco House, PO Box 34940, Lusaka (tel: 229-397/8; fax: 221-866).

Zambia National Commercial Bank, Cairo Rd, PO Box 33611, Lusaka (tel: 228-979, 221-355; fax: 224-006).

Central bank

Bank of Zambia, Bank Square, Cairo Road, PO Box 30080, Lusaka 10101 (tel:

228-888 fax: 221-722; internet: www.boz.zm).

Stock exchange

Lusaka Stock Exchange (LuSE) www.luse.co.zm

Travel information

Lusaka International Airport, National Airports Corporation Limited, PO Box 30175, Lusaka (tel/fax: 271-359; email: naclaps@zamnet.zm; internet: www.lun.aero).

Tourism Council of Zambia, PO Box 36561, Lusaka (tel: 251-666; fax: 251-501; e-mail: tcz@zamnet.zm; internet: www.zambiatourism.com).

Zambian Airways, Head Office, Lusaka International Airport; PO Box 34777, Lusaka, (tel: 271-230; fax: 271-054; internet: www.zambianairways.com).

Zambian Express, Lusaka (tel: 222-060, 238-162/65; fax: 238-166; e-mail: zamex@zamnet.zm).

Ministry of tourism

Ministry of Tourism, Environment and Natural Resources, PO Box 34011; Cairo Road, Kwacha House, Lusaka 10101 (tel: 021 223-931; fax: 0211 223-930; email: infor@mtenr.gov.zm; internet: www.mtenr.gov.zm).

National tourist organisation offices

Zambia National Tourist Board (ZNTB), Tourist Centre, Mosi-oo-Tunya Road, PO Box 60342, Livingstone (tel: 321-404/5; fax: 321-487; e-mail: zntblive@zamnet.zm); Century House, Cairo Road, Lusaka Square, PO Box 30017, Lusaka (tel: 229-087/90; fax: 225-174; e-mail: zntb@zamnet.zm).

Ministries

Ministry of Agriculture, Food and Fisheries, Mulungushi House, Box RW 50291, Lusaka (tel: 251-537/233; fax: 252-029).

Ministry of Commerce, Trade and Industry, Kwacha House Annex, PO Box 31968/34373, Lusaka (tel: 228-301, 221-184; fax: 226-673).

Ministry of Communication and Transport, PO Box 50065, Lusaka (tel: 251-444/938/740/759; fax: 002-601, 253-260).

Ministry of Community Development and Social Services, Fidelity House, PO Box 31958, Lusaka (tel: 227-840, 228-321; fax: 225-327).

Ministry of Defence, PO Box RW 17X, Lusaka (tel: 251-211, 254-667; fax: 254-670, 221-339, 253-875).

Ministry of Education, PO Box 50093, Lusaka (tel: 227-636; fax: 222-396).

Ministry of Energy and Water Development, Ministerial Headquarters, Lusaka (tel: 263-870; fax: 252-339).

Ministry of Environment and Natural Resources, Mulungushi House, PO Box 30055, Lusaka (tel: 252-711, 250-186; fax: 252-952).

Ministry of Finance, PO Box RW 50062, Lusaka (tel: 250-544, 227-668; fax: 250-501).

Ministry of Foreign Affairs, PO Box 50069, Lusaka (tel: 262-666; fax: 250-634/240, 252-867).

Ministry of Health, PO Box 30205, Lusaka (tel: 227-745, 223-435; fax: 223-435).

Ministry of Home Affairs, PO Box 50997, Lusaka (tel: 254-261/362; fax: 224-656, 254-669).

Ministry of Information and Broadcasting Services, PO Box 50200, Lusaka (tel: 251-766, 253-965; fax: 254-013, 252-391, 250-524).

Ministry of Labour and Social Security, PO Box 32186, Lusaka (tel: 227-640).

Ministry of Lands, Mulungushi House, PO Box 30069, Lusaka (tel: 252-288; fax: 250-130).

Ministry of Legal Affairs, PO Box 50106, Lusaka (tel: 251-588; fax: 253-695).

Ministry of Local Government and Housing, PO Box 34204, Lusaka (tel: 253-077; fax: 252-680).

Ministry of Mines and Minerals Development, PO Box 31969, Lusaka (tel: 252-990; fax: 251-224).

Ministry of Science, Technical Education and Vocational Training, PO Box 50464, Lusaka (tel: 229-673; fax: 252-951).

Ministry of Sports, Youth and Child Development, 4th Floor, Memaco House, Sapele Rd, Lusaka (tel: 227-168; fax: 223-996).

Ministry of Works and Supply, PO Box 50236, Lusaka (tel: 253-266; fax: 222-360).

Other useful addresses

British High Commission, 5210 Independence Avenue; PO Box 50050, 15101 Ridgeway, Lusaka (tel: 251-133; fax: 253-798; email: BHC-lusaka@fco.gov.uk).

Central Statistics Office, PO Box 31908, Lusaka (internet: www.zamstats.gov.zm).

Chilanga Cement plc, Kafue Road, PO Box 32639, Lusaka (tel: 225-2853, 701-297; fax: 252-853, 252-655).

Export Board of Zambia, PO Box 30064, Third Floor, State Lottery Building, Cairo Road, North End, Lusaka (tel: 228-106/7; fax: 222-509).

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Lusaka Stock Exchange Ltd, Lusaka (tel: 228-594, 228-391; fax: 228-608, 225-969; e-mail: luse@zamnet.zm).

Metal Marketing Corp of Zambia, PO Box 35570, 10101 Lusaka (tel: 228-131/140).

National Air Charters, PO Box 33650, 10101 Lusaka (tel: 229-154, 228-274).

National Commission for Development Planning, PO Box 50268, Lusaka.

National Import & Export Corporation, PO Box 30282, 10101 Lusaka (tel: 228-018).

Nitrogen Chemicals, PO Box 360226, Kafue (tel: 311-531/5; fax: 311-313).

Zambia Consolidated Copper Mines Ltd (ZCCM), 5309 Dedan Kimathi Road, PO Box 30048, Lusaka (tel: 229-115; fax: 221-057).

Zambia Electricity Supply Corporation Ltd (Zesco), PO Box 33304, Stand 6949 Great East Road, Lusaka 10101 (tel: 223-970, 239-343, 225-074; fax: 223-971, 237-601, 239-343, 222-753).

Zambian Embassy (USA), 2419 Massachusetts Avenue, NW, Washington DC 20008 (tel: (+1-202) 265-9717; fax: (+1-202) 332-0826; e-mail: info@zambiainfo.org).

Zambia Industrial & Commercial Copper Industry Service Bureau, PO Box 22100, Kitwe.

Zambia Investment Centre, 5th Floor, Ndeke House, Haile Selassie Avenue, PO Box 34580, Lusaka (tel: 252-130, 252-152; fax: 252-150; e-mail: invest@zamnet.zm).

Zambia National Broadcasting Corporation, PO Box 50015, 10101 Lusaka (tel: 229-648).

Zambia National Oil Company Limited (ZNOC), Lusaka (tel: 222-135; fax: 220-144, 221-265).

Zambia Privatisation Agency (ZPA), Privatisation House, Nasser Road, PO Box 30819, Lusaka (tel: 227-851, 223-859, 227-791; fax: 225-270; e-mail: zpa@zamnet.zm).

Zambia Railways Ltd (ZRL), PO Box 80935, Kabwe (tel: 223-822, 222-201/209; fax: 228-023/025).

Zambia Telecommunications Co Ltd, Lusaka (tel: 611-111, 612-399; fax: 613-055, 615-855).

National news agency: Zambia News Agency, (internet: www.zana.gov.zm).

Internet sites

Africa Business Network: www.ifc.org/abn

African Development Bank: www.afdb.org

Africa Online: www.africaonline.com

AllAfrica.com: <http://allafrica.com>

Mbendi AfroPaedia (information on companies, countries, industries and stock exchanges in Africa): <http://mbendi.co.za>

Office of the President: www.state-house.gov.zm

Zambian Express: www.africa-insites.com

Zambian gateway website: www.zamnet.zm