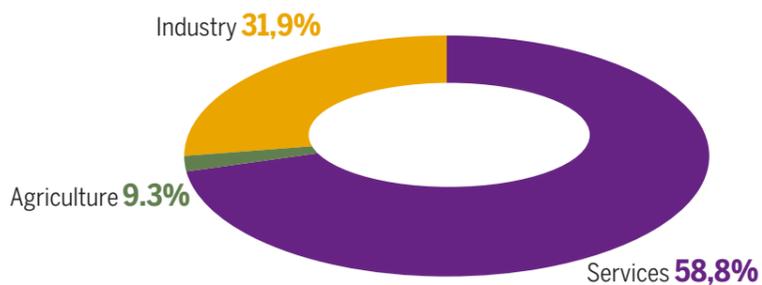


# ZAMBIA FACT SHEET 2015



## ECONOMICS

### SECTOR CONTRIBUTIONS TO GDP



### SECTOR



### 2016 GROWTH FORECAST

Agriculture **1.0%**  
Industry **4.9%**  
Services **5.8%**

	2014	2015 <sup>(f)</sup>	2016 <sup>(f)</sup>	2017 <sup>(f)</sup>	2018 <sup>(f)</sup>
<b>Inflation %</b>	7.0	7.7	7.4	6.7	5.9
<b>GDP %</b>	5.6	5.8	6.4	7.8	7.3

(f) FORECASTED  
CURRENCY: Zambian kwacha  
ZMK582.42 = R1\* & ZMK10 981.77 = USD1\* (2 December 2015)

### Top import products

- Machinery and boilers (15.54%)
- Ores, slag and ash (14.94%)
- Mineral fuels, oils and distillation products (14.92%)

### Top import origins

- South Africa (32.43%)
- Democratic Republic of Congo (15.30%)
- China (8.99%)

### EXPORT

### Top export products

- Copper (74.43%)
- Inorganic chemicals and precious metal compound isotopes (3.04%)
- Pearls, precious stones, metals and coins (2.81%)

### Top export locations

- Switzerland (44.70%)
- China (18.48%)
- Democratic Republic of Congo (8.26%)

## SOCIAL

- Population:
  - 15 066 266 people (2015 estimate)
  - Widespread and extreme rural poverty and high unemployment levels remain a significant problem. It is estimated that 64% of the population live below the poverty line.
- Languages: English, Nyanja, Bemba, Lozi, kaonde, Tonga, Lunda and Luvale.

## TECHNOLOGY

- There has been an increased interest in improving the telecommunications infrastructure. The Zambian government entered into a partnership with Huawei Technologies to deploy 169 cell towers in underserved areas to sustain its rural expansion strategy.
- Improving Internet connectivity will play an important role in economic development and business processes in Zambia over the medium-term.

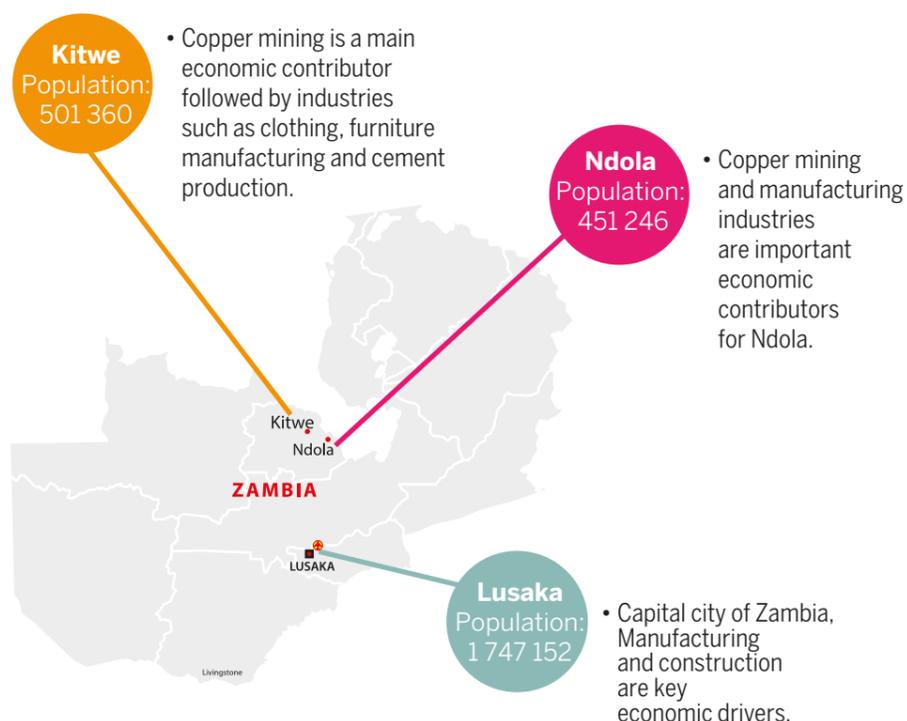
## POLITICAL/LLEGAL

- Zambia has a mixed legal system of English common law and customary law.
- President Edgar Lungu was elected on 25 January 2015, following the death of former president Michael Sata. Under Zambia's constitution, President Lungu is only eligible to serve the remainder of Sata's election term until the next general election takes place in September 2016.

## ENVIRONMENT

- The El Niño weather phenomenon has brought about below-average rainfall and drought. This has affected the availability of water, which is critical for hydroelectricity generation.
- Environmental issues include air pollution, deforestation, soil erosion, desertification and lack of adequate water treatment which presents human health risks.

## MAJOR CITIES



## CHALLENGES TO DOING BUSINESS

- Businesses face the highest degree of operational risk from Zambia's logistics capabilities. Zambia is a landlocked country with high trading costs because of its lack of a coastline. Other threats include the rising road congestion, high energy costs and the limited availability of utilities. The poor transport infrastructure makes trade costly and time consuming.
- Low levels of Internet penetration damage Zambia's attractiveness to investors, as Internet access is critical to international business. The e-commerce market is relatively new, so companies would need to rely on alternative channels for marketing and financial transactions.
- The new mineral royalty tax regime could result in the closure of less profitable mines. This will lead to the loss of thousands of jobs and of additional foreign investment.

## OPPORTUNITIES FOR DOING BUSINESS

- Zambia is economically open, with low levels of governmental red tape. This significantly enhances the attractiveness of its business environment. Companies operating in Zambia will encounter a favourable tax regime, with various incentives and international agreements lowering the cost of doing business.
- Setting up a business is a straightforward process, and the cost of construction permits is low.
- Zambia offers one of the most competitive crime and security environments in sub-Saharan Africa. Businesses and foreign workers in Zambia benefit from a safer environment than in most other sub-Saharan Africa countries, with lower crime rates, a negligible threat from domestic or international terrorism and a secure strategic environment.