

SADC – JAPAN INFRASTRUCTURE SEMINAR

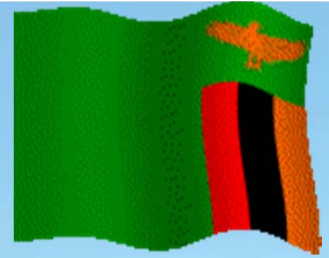
“Investment Opportunities in Zambia’s Infrastructure”

March , 2012



A presentation of the Zambia Development Agency

Zambia: Africa’s New Frontier for Investments and Profits



Presentation Outline

Why Zambia?

- ✦ **Positioning**
- ✦ **Investment Opportunities**
- ✦ **Investment Framework**
- ✦ **Conclusion**



Zambia in the Region and Beyond



- Area: 752,614 sq km
- Common borders with 8 (including Mozambique)
- Population: 13 mil (2010 census)
- Independence: 1964
- Religion: Over 90% Christian, Muslim 4%, 1% indigenous

Crossroads of two major markets

SADC
247 million
people, GDP
US\$ 431 billion



Other market opportunities through agreements / membership to:

- EU through the EBA initiative
- USA through AGOA Market Initiative
- Canadian Market Access Initiatives
- Chinese Market Access Initiative
- Japanese Market Access initiative

COMESA
400 million
people, GDP US\$
360 billion



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“Energy Opportunities would be Underestimated”



Abundant investment Opportunities in view of

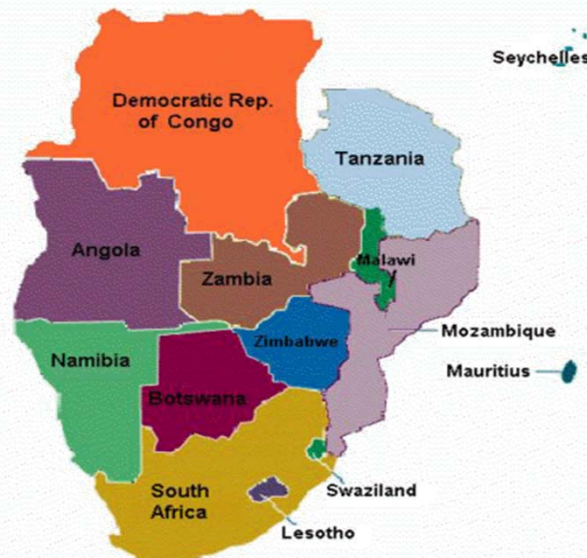
- Huge power deficit in Southern Africa
- Vast water resources and Coal reserves

East Africa short of power, South Africa running out of Excess Power
Growth in demand 150MW – 200 MW

Current Installed Cap.
1,970 Mw, Peak 1,600 Mw

Hydro projects – Private Sector, being considered

Zambia Tanzania Interconnector



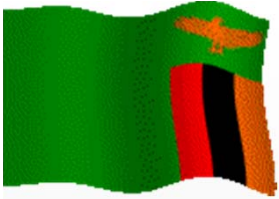
Potential Capacity to 6,000 Mw

Zambia Namibia Interconnector

Zambia DRC Interconnector



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ENERGY INVESTMENT OPPORTUNITIES

- Biofuels Areas - Growing of energy crops, Setting up of Refinery to process the crops and Storage facilities
- Renewable energy opportunities include biomass gasification, biogas, and wind energy for water pumping.
- Manufacture of Solar Components – such as batteries, bulbs, regulators



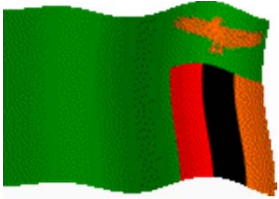


ENERGY INVESTMENT OPPORTUNITIES

1,600 KM ZAMBIA-TANZANIA-KENYA POWER INTER-CONNECTOR PROJECT

- Construction of a 700 kilometres double circuit 440kV transmission line originating from Zambia and ending in Tanzania
- Reinforcement of the Tanzania transmission system by construction a single circuit 400kV line from Mbeya to Arusha
- Construction of a 260 kilometres 400kV transmission line between Tanzania and Kenya.





ENERGY INVESTMENT OPPORTUNITIES

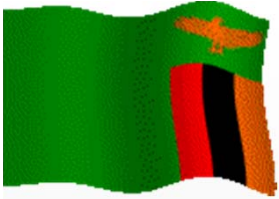
MUMBOTUTA AND MAMBILIMA HYDROELECTRIC PROJECT (850-1200MW)

Scope of project could include:

- 301MW hydropower plant
- Concrete faced rock fill dam
- Surface “open-pit type powerhouse
- Development of high voltage transmission line

which will include transmission line to connect to the national grid and construction of a Copperbelt to Luapula transmission line





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“Opportunities in Rail Infrastructure”

Total projected investment US300 million

**Inter-mine railway network
covers a total of 199Km:**

Ndola to Chingola 134Km

**Luano to Chililabombwe
31Km**

Spur to Mufulira 34Km





“Opportunities in Road Infrastructure”

Total projected investment USD2 billion

**Trunk roads comprising (i)
Livingstone – Kapiri Mposhi,
678km (ii) Kapiri Mposhi –
Nakonde, 808km and (iii)
Kapiri Mposhi, 746km**



Key Taxes



Legal & Regulatory
Environment
constantly improved
upon

TAXES	GENERAL	MINING	AGRIC	ZDA INCENTIVES
Corporate Tax	35%	30%	10%	0% - for 5years 50% of Tax - year 6-8 75% of tax - year 9-10 Full tax afterwards
Withholding Tax	15 % (Except for mining - 0%)			
Value Added Tax	16%			Option to deferment on capital equipment and machinery
Import Duties				0% on capital goods, machinery and equipment for 5 years
Capital goods and Raw material	0-5%			
Intermediate Goods	15%			
Finished goods	25%			
Dividends	Income tax rates applicable			0% for 5 years

Zambia: Africa's New Frontier for Investments and Profits

A-to-Z information on the Zambian market

Guidance through the entire investment process and aftercare

Provision of matching Zambia partners and building contact networks

Global export market information & product development

SME & business development services



Zambia Development Agency
Promoting economic growth and development



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