

Zambia

SADC (Part II)

STEADY PROGRESS

Scenically beautiful, peaceful, and endowed with abundant natural resources, Zambia is using its attributes to forge a path to prosperity. One of the continent's most promising emerging economies, the country's forward-looking government is dedicated to economic diversification and social development, backing Zambia in its quest to become an African leader.

Economic and political reform have been high on the Zambian government's agenda since the election of Levy P. Mwanawasa as President in 2001.

Leading the Movement for Multi-Party Democracy (MMD), which has been in power for ten years, Mr. Mwanawasa is committed to progress. As the head of



PRESIDENT **Levy P. Mwanawasa**

the dubbed "New Deal" government, the President has launched a drive to diversify the economy away from its dependency on copper mining. Agriculture, agribusiness, and tourism are the most important sectors for development within the state's extensive economic reform programs, which are supported by the World Bank and the IMF.

"Diversification would be very difficult if the people were not willing to respond to our initiatives," says Mr. Mwanawasa. "But fortunately for us, our people have responded very positively."

Foreign investment is essential to the future success of Zambia, and the President is determined to promote the country's wealth of investment opportunities.

"Zambia is a place that offers vast opportunities to everyone prepared to go there. At the same time these openings provide benefits to our people, and that is vital."

The Zambian government is particularly interested in attracting U.S. investment. Zambia benefits from financial



ZAMBIA NATIONAL TOURIST BOARD

support from USAID, which has assisted with agricultural development. The trade agreement under the Africa Growth and Opportunity Act between Africa and the U.S. is also providing a boost to bilateral trade.

Enacted in 2000, it provides progressive sub-Saharan countries with liberal access to the U.S. market. To qualify, nations must demonstrate that they are committed to a number of forward-looking approaches, from establishing market-based economies to protecting human rights.

Under the initiative, African states are provided with technical expertise and credit. In turn, U.S. business is bolstered

through encouraging economic and commercial reform, in addition to creating stronger markets and more effective partners for American firms.

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A liberal economy will allow the government to devote more resources to improving the quality of life for all Zambians

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President Mwanawasa hopes that the AGOA agreement will help promote exports from strong sectors such as agriculture. "We want to take advantage of markets in the United States through the AGOA initiative. We want to export cotton and other goods, then we can set up agribusinesses and agriculture-based industries."

Zambia has emerged as an open country, with a private sector-led liberal economy - the nation's privatization program was cited by the Stanford Research Institute as a model for other African countries, and the government is committed to ensuring that the transformation benefits the population.

Privatization has been the top priority in recent years; the government is now directing resources toward reducing poverty levels, ensuring macroeconomic stability, and improving government ac-

countability and transparency. The latter goal was a catalyst for a cabinet reshuffle in May of this year. Mr. Mwanawasa says the reorganization was prompted by a need for change and was a move towards reducing tension between political parties. "Most importantly, these changes were made because we intended to address certain distortions brought about by corruption and greed among some of our leaders," he explains.

To achieve its ultimate goals, Zambia must tackle its health problems, particularly the HIV/AIDS pandemic. From 1999-2002, USAID developed the Zambia Integrated Health Program, in partnership with the government, to address the country's major health issues. A significant proportion of Zambia's current budget has been allocated to buying essential drugs, including anti-retroviral therapy, to reduce the rate of HIV/AIDS infection. The state has invested heavily in education programs to help combat the spread of HIV and AIDS. The National AIDS Council implements measures to fight the disease, while the private sector, NGOs, donors, and local communities are also helping.

Mr. Mwanawasa is confident that the government's ambitious initiatives will translate into a brighter future for Zambia. "I would like to see Zambia as a leader in reducing poverty and unemployment. I would like Zambia to be a leader in increasing manufacturing and a leader in agricultural production. I would like, finally, to see corruption eradicated."

TRADE / SADC BOOSTS DEVELOPMENT

Trade is the key to growth and sustainable development in Zambia, and its borders with eight countries make it a potential commercial hub at the heart of southern and eastern Africa. The country is a member of the Southern African Development Community (SADC), whose 14 members have signed a trade protocol aimed at enhancing the economic development, diversification and industrialization of the region. The agreement's ultimate objective is to establish a free trade area (FTA). The launch of the FTA for the Common Market for Eastern and Southern Africa (COMESA) - signed in October 2000 by nine of the 20 member countries - has been another major landmark in the bid to create an African economic community.

Zambia is at the center of both these organizations: it was the birthplace of SADC in 1991, and the COMESA headquarters are located in the Zambian capital, Lusaka. A city that is therefore playing a prominent part in the region's integration. The nation has also taken a leading role in promoting stability in the region, illustrated by its support for peace talks in Angola and the Congo. In the future, Zambia would like to see the streamlining of regional trade groups, says President Levy P. Mwanawasa. "The only problem I see is that the aims and objectives of SADC are more or less the same as those of COMESA - I would like to see more harmonization and organization between the two organizations."

EXPANDING ECONOMIC HORIZONS

Diversification is key to prosperity; non-traditional products are performing well

Over the past decade, Zambia has worked hard to create a proactive private sector and stable economic environment. With the introduction of economic reforms and the launch of market-oriented policies, it has laid strong foundations for development. The Zambian economy revolves around rural agricultural and urban-based industry and commerce. The promotion of investment and exports, public spending on infrastructure, and the maintenance of a stable macroeconomic environment are some of the steps now being taken to unlock the potential of a variety of sectors.

Mining, particularly of copper and cobalt, is still the dominant industry, accounting for 60.3 percent of exports in 2002. However, declining copper prices and high production costs mean that Zambia needs to look to other sectors to drive the economy forward. Foreign direct investment, the elimination of price controls and the simplification of tax and tariff policies have already prompted significant growth in exports of non-traditional agricultural products and natural resources.

The government is aiming for sustained annual economic growth of between 5 and 8 percent, which will allow a real increase in spending on poverty reduction. For the 2003 budget, the objectives are achieving 4 percent real GDP growth, reducing the annual inflation rate to 17.9 percent, ensuring food security, and cutting the budget deficit to 1.55 percent of GDP from 3.3 percent in 2002.

Debt relief and continued debt servicing have seen Zambia's total debt stock drop from US\$7.2 billion in 2001 to US\$6.5 billion in 2002, and donors are funding 43 percent of the 2003 budget. Although Zambia still receives substantial aid, the country's financial sector has managed to make remarkable progress since liberalization.

After 20 years of deep government involvement in the banking sector, the state began to allow the market to determine interest and exchange rates.

In 1994, the Banking and Financial Services Act was implemented to regulate conduct, establish safeguards for investors and customers, and provide guidelines for general banking and financial matters. To stabilize the kwacha and re-

duce inflation, the government has implemented a tight monetary policy; it includes encouraging the Bank of Zambia, which exercises overall control over the banking system, to reduce its reliance on cash and liquidity reserve requirements as instruments of credit control. Instead, the bank will intensify the use of market-based monetary instruments.

The banking sector has become increasingly sophisticated since the introduction of automated and computerized services. Now, cultivating public confidence in the system is seen as a key pre-condition for credit expansion and the mobilization of savings and investment.

While the financial sector is going from strength to strength, it is not a source of



THE GOVERNMENT IS AIMING FOR 5 TO 8 PERCENT SUSTAINED ANNUAL ECONOMIC GROWTH, AND HIGHER SPENDING ON POVERTY REDUCTION

long-term financial interest rates stand at around 45 percent. The Lusaka Stock Exchange was established by the government in

order to tackle the need for affordable, long-term finance for the private sector, and to promote financial and capital market development. As a developing country, it was important for the burden of finding money for development to be lifted from the state's shoulders, Prof. Chingambo points out. The Lusaka

Stock Exchange, which has 11 listed companies and 8 quoted companies, was also a means of empowering Zambians by offering them share ownership, and a vehicle through which the government could sell off public assets and companies.

Another advantage of the stock exchange is that, as a transparent and efficient price index, it will make potential foreign investors feel at ease. "The point is to change domestic savings into domestic investments so that more money will come into the market," says Prof. Chingambo.

According to Prof. Chingambo, the maintenance of political stability, creation of new investment incentives, and improvement of public infrastructure, healthcare, and educational systems will also be key to attracting overseas investors.

"I would like to see a situation where we have at least 60 companies listed, because once you have an active and efficient stock exchange, you can develop the economy."



LLOYD J. CHINGAMBO
CEO and General Manager of Lusaka Stock Exchange

PRIVATIZATION PIVOTAL TO NEW APPROACH

The privatization process has been a top priority of the government's economic policy

The privatization process and the establishment of a free market in Zambia has been rapid; transforming the economic landscape within a decade.

"We are one of the most liberal countries in the region - we have a very liberal foreign exchange regime and the movement of goods and money is relatively free," says Dipak Patel, Minister of Commerce, Trade and Industry. "In the region, our privatization program has been one of the fastest."

Parastatal enterprises were not contributing to sustainable growth, so the private sector was promoted as the new impetus for development. The move was designed to create opportunities for investors and has succeeded in attracting overseas business, which has significantly strengthened the economy.

The Zambia Privatization Agency (ZPA) - an autonomous body which reports to parliament - was set up by the government in 1992 to control and monitor the process of selling off state-owned companies and properties. The agency assesses the assets, debts, and viability of each business and aims to sell it for the maximum benefit of the country. The World Bank, USAID, Britain's Overseas Development Agency, and the German aid agency GTZ all collaborated on the establishment of ZPA, providing technical and financial support.

Since 1992 ZPA has organized the privatization of 254 companies - attracting more than US\$990 million in investment - and is preparing a further 24 firms. The businesses are sold to firms that possess the structure and capital required to run them more efficiently, while the ZPA aims to ensure that the privatization process is smooth and transparent. Its goals are to stimulate economic growth, speed up development, ease the transformation of the economy, generate

capital for the government, and create long-term potential for employment.

The last stage of privatization has seen the government opt for concessions or commercialization rather than the outright sale of shares, say ZPA's CEO Andrew Chipwende and the agency's Advisor Stuart Cruickshank. However, ZPA is still pursuing the privatization of some remaining state-owned enterprises which the government is unable to refinance.

Privatization has had positive effects on the economy, with GDP growing 4 percent in 2002 compared with 2.4 percent in 1999. In order to consolidate this progress, Zambia needs to attract more foreign investment to increase production, modernize its infrastructure, and boost employment.

"The key areas for investment are tourism, energy, agriculture, and mining for metals like cobalt and copper as well as gemstones. These are our strengths," says Mr. Patel. "We could get involved in many other industries, but we would not achieve added value because we would have to import most of the inputs."

To facilitate and promote investment, the Zambia Investment Center (ZIC) was founded in 1991 as part of the state's ambitious strategy to attract national, regional, and overseas investors.

ZIC provides information to domestic and foreign businesses on investment opportunities



in specific sectors, as well as on the incentives the government has put in place. These include duty-free imports of agricultural machinery and equipment, wear and tear allowances for buildings used for manufacturing, mining or hotels, and income tax deduction for expenditures on research, technical education or further training related to a company's business activity. The center also tries to cut through red-tape, enabling the acquisition of licenses or immigration and employment permits.

"We are trying to make this place a one-stop facility for investors so that when they walk out of here they have all the licenses they need and can concentrate on the core business they are in Zambia for," says Jacob Lushinga, Director General of ZIC.

Since its creation, ZIC has handled around US\$2.9 billion worth of investment, but it now wants to accelerate the pace. Building

A range of companies have been privatized over the past decade and handed over to businesses that are able to manage them efficiently while contributing the funds needed for them to flourish

confidence is essential for its future success, Mr. Lushinga emphasizes.

"Confidence cannot be achieved unless we are accurate in the reports and advice that we give. When people pick up the phone and call the investment center, they know they will be told the truth and will be able to make a decision based on that information."

Zambia is eager to attract more U.S. investors, and Mr. Lushinga assures American entrepreneurs that they will reap the benefits of Zambia's favorable investment climate. "They will maximize their profits by investing here and production costs are low. They will also find a safe destination for their investment, since they can be sure they will be able to repatriate their profits."



STUART CRUICKSHANK
Advisor at ZPA



ANDREW CHIPWENDE
CEO of ZPA



JACOB LUSHINGA
Dir. General of ZIC



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EXPORTS STIMULATED BY GOVERNMENT INITIATIVES

Export Processing Zones are designed as a key incentive to attract investors to Zambia

In recent years there has been a significant increase in the establishment of exporting companies as a result of Zambia's improved macroeconomic environment and liberalizing reforms. Although copper and cobalt are still Zambia's principal exports, non-traditional products are performing strongly. In both 2001 and 2002 the non-traditional export (NTE) sector recorded an 18 percent increase, reaching US\$312 million and US\$368 million respectively. The highest earners in 2002 were agriculture, horticulture, and gemstones.

Growth in exports has been stimulated by the Export Board of Zambia (EBZ), which was

set up in 1987 to promote the sector. Its mission is to broaden the country's export base and increase foreign exchange earnings by providing accurate market information, expanding Zambia's share of the global market, positioning non-traditional exports in target markets, and lobbying the government to offer incentives.

The current range of export incentives offered by the state includes reduced corporate tax for non-traditional exporters. In addition, the government has simplified the export licensing system, abolished export duties, and reduced customs tariffs as part of a set of measures taken to create a favorable environment for export development.

"Zambia has abundant natural resources and a fairly developed infrastructure for production of non-traditional exports," says Glyné Michelo, CEO of EBZ. Mr. Michelo highlights primary agricultural products as one of Zambia's strongest exports, adding that manufacturing also yields a variety of output; this comprises food-processing, which adds value to agricultural materials such as coffee, sugar, cashew nuts, cotton, and tobacco. Chemical products, leather, and local handicrafts are also among the range of up-and-coming exports.

EBZ is eager to position Zambia in the U.S.



AGRIEFLORA

Floriculture and horticulture are increasingly important non-traditional sectors in Zambia's export market. Europe provides a thriving market for Zambian roses

market and has developed contact programs with key market players in addition to attending trade events. "There's tremendous potential for Zambian NTEs to grow in the U.S. market," says Mr. Michelo.

EBZ has played an important role in the establishment of the Zambia Export Processing Zones Authority (ZEPZA), which is leading the development of Export Processing Zones (EPZs) to enhance the international competitiveness of Zambian companies. Established as part of

the EPZ Act of 2001, ZEPZA cultivates non-traditional exports in three main sectors: agriculture, agri-business, and manufacturing. The zones themselves are regarded as foreign territories and consequently don't pay taxes, apart from those paid on goods sold in the domestic market.

Fabiano Lukashi, Managing Director of the authority, explains that the EPZs could lead to the structural transformation of the Zambian business landscape.

CULTIVATING GROWTH

Agriculture has been earmarked as the future engine of the economy

P lentiful land and good soil allow Zambia to sustain a wide range of agricultural production, and the "New Deal" government has prioritized the sector for major development.

Despite Zambia being highly urbanized for the region, agriculture still represents around 20 percent of the country's GDP and accounts for 70 percent of employment. Although it plays an important part in the economy, there is a wealth of untapped potential. Zambia's use of resources needs to be maximized if agriculture is to replace copper mining as the engine of economic development, which is the state's goal.

Only 15 percent of the country's arable land is under cultivation and, until recently, most of the crops were rain-fed which meant droughts had a devastating impact.

The government has now begun to develop irrigation using Zambia's large amounts of surface and ground water. The nation boasts 45 percent of southern Africa's water resources, which will facilitate the development of the agricultural sector as an engine of economic growth.

To reduce shortfalls in crop production and enhance national food security, the government is helping drought-prone areas by constructing dams to facilitate irrigation. The private sector is being en-

couraged to participate in these programs, which provide smallholders with the technology and education that are needed to achieve food security

Other moves include contracting large-scale farmers to produce maize under irrigation and encouraging farmers in the rain belt to plant two crops a year. Backing small-scale farmers is a pillar of the state's effort to boost the sector.

One objective is to provide essential materials at low prices, such as seeds and fertilizers, just before planting season - a strategy which is being supported by private companies. Farmers can pay for their materials in kind, and they are also being encouraged to grow crops that inject nitrogen into the soil. In addition, farmers are being supplied with cheaper means of irrigation and are being encouraged to trust the co-operative system once again.

"We have revived the co-operatives," says Mundia Sikatana, Minister of Agriculture and Co-operatives.

Zambia has had to rely on outside help to feed its population, especially during periods of drought. Now the state is determined to make the country self-sufficient

"We will be able to create chains of EPZs - when an EPZ exports textiles to the U.S., its fabric supplier also becomes an EPZ and so does the yarn supplier. The zones create backward and forward linkages in the economy."

ZEPZA will help companies build their own zones and will therefore have to seek financing to provide these EPZs with their own infrastructure. The provision of licenses and permits, plus tax exemptions on utilities, are also an important part of the range of incentives offered to investors seeking to start up ventures in Zambia. Mr. Lukashi believes that Zambia's favorable business and investment climate, high levels of education, central location, and natural resources will be key attractions for American investors.

Dipak Patel, Minister of Commerce, Trade and Industry, highlights that strengthening the export sector is fundamental for the future of Zambia. For the country to fully realize its export potential it "is a question of foreign and domestic investment into basic infrastructure, technologies, and setting up the basic standards for export purposes."

by growing a wider variety of crops and reducing seasonal agriculture.

"We discovered we made a mistake during the drought years," says Mr. Sikatana. "We clung to one crop, maize, ignoring cassava, which is drought-resistant. There is a lot of cassava in the country and we are expecting to raise half the food security from it this season. In other words, we are diversifying."

Ensuring domestic supplies is essential, but the government is also committed to increasing Zambia's agricultural exports. Though it lies in the tropical belt, the climate is mostly temperate and the environment varies, so the country has the potential to cultivate a wide range of exportable produce.

Vegetables and coffee are already exported, mainly to Europe. Horticultural products such as pre-packed specialty vegetables accounted for 12 percent of Zambia's non-traditional exports in 2002, while floriculture exports accounted for 8 percent.

Livestock and fisheries are also set to play a more important role in the economy, as the government focuses on ensuring



DIPAK PATEL
Minister of Commerce,
Trade and Industry



FABIANO LUKASHI
Managing Director
of ZEPZA



GLYNÉ MICHELO
CEO of the Export
Board of Zambia



MUNDIA SIKATANA
Minister of Agriculture
and Co-operatives

AFRICA'S BEST KEPT SECRET: ZAMBIAN SPECIALTY COFFEE



ZATAC Ltd. is dedicated to increasing the incomes and life quality of small-holders

Africa's best-kept secret, Zambia, is an oasis of peace, stability and unspoiled beauty. This Texas-sized nation sits high, above 1200 meters, on the Central African Plateau, embraced by Victoria Falls, Lake Tanganyika, and the mighty Zambezi river, which nourishes the country's tropical climate and creates ideal growing conditions for specialty grade coffee.

Zambia's reputation for producing some of the world's finest coffee is steadily being uncovered. A latecomer in the coffee world, Zambia's commitment to product quality over quantity has paid off. At international tastings, Zambian coffee has repeatedly surpassed some well-known brands in taste and quality. Zambia's 6,000 tons of coffee, meticulously cultivated and hand-picked, unveils a new taste wrapped in sweetness and a little boldness, straight from the heart of Africa to the reaches of Europe, Japan and the U.S.

A member of the SCAA, SCAE and EAFCA, Zambia's coffee industry enjoys a perfect blend of public-private partnership forged to support and enhance the sec-

tor. Well ahead of most African countries, Zambia's Coffee Board (CBZ) and Zambia's Coffee Growers Association (ZCGA) have been working tightly together to strengthen the supply chain and bolster the coffee industry. To help Zambia's smallholder producers work themselves out of poverty, the CBZ and ZCGA together with the Zambia Agribusiness Technical Assistance Center (ZATAC Ltd.), are presently collaborating on an initiative that enables smallholder cooperatives to participate in specialty coffee production. ZATAC Ltd. itself is an independent, non-profit Zambian organization established with the assistance of USAID to help commercialize Zambia's smallholder production. To date, ZATAC Ltd. has helped forge many relationships and agreements between smallholder-owned and operated cooperatives and commercial businesses so that both view each other as an integral

**GROWN TO
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CONSISTENTLY,
REPEATEDLY,
WITH A TOUCH
OF MAGIC**

and equal partner in the coffee value chain. ZATAC Ltd. is partnering with organizations like CBZ and ZCGA to promote a broad-based economic growth. All these three institutions are presently working to help foster relationships between smallholder cooperatives and large estates. The practice of social responsibility and communal generosity is a thread that weaves through the social fabric of Zambia. In fact, it is the traditional Zambian way.

The Munali Coffee Brand, from Mubuyu Farms, has been honoring this timeless tradition of sharing through extension of its "coffee community" to include subsistence smallholders in the production of Africa's finest arabica. Sparked by one man's daring, Munali Coffee™ is committed to the well-being of its 1,100 employees. Munali Coffee boasts the Fair Trade label and has managed to break into the U.S. market.



ZATAC together with CBZ and ZCGA are playing a key role in the development of the coffee industry so that it benefits the population in addition to boosting the nation's economy



Zambia is positioned in Central Eastern Africa, and is famous as the mother of one of the World's seven wonders, the Victoria Falls. Zambia is also home to some of the best unspoilt game reserves in Africa, offering unrivalled photographic and hunting safaris.

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AGRIFLORA

Zambia's expanses of uncultivated arable land are a resource which makes the agricultural sector ripe for investment

Continued from page 4

healthy stock and appropriate farming methods. However, foreign investment will be essential to the success of the agricultural sector, which still suffers from a lack of funds needed to provide adequate training and infrastructure.

"We need investment in agriculture more than anything else," says Mr. Sikatana. "Our country has enjoyed peace and stability for decades - it is the best place to invest. The economic policies produce a conducive environment and plenty of opportunities."

AGRIFLORA / IN BLOOM

By utilizing Zambia's natural resources and pursuing an ambitious vision, Agriflora has become Zambia's largest and most successful horticultural and floricultural business.

Founded in 1994, it began as a rose grower exporting flowers to Europe, before branching out to become a fresh vegetable supplier. Now, fresh vegetables - exported mainly to the UK - account for 80 percent of its production, while around 50 million roses are exported to Europe annually. All produce is selected by hand and 10 percent is organic. Agriflora's 11 farms cover an area of 1,500 hectares in different parts of the country; they employ 6,000 people and use modern technology, such as computerized irrigation. The company also has out-growers schemes which involve ten co-operative societies, incorporating 600 small-scale growers.



NEIL SLADE
Managing Director
of Agriflora

One of Agriflora's primary strengths is its highly-trained staff, including experts who are supported by internationally recognized consultants.

"We are lucky here because we have got people who are very eager to learn," says

Agriflora's Managing Director Neil Slade.

He believes the key to expanding the sector is long-term investment from sources which are "prepared to develop the industry in an ethical and sustainable manner," and emphasizes that Zambia is a safe destination for investors as it is a stable country. "We have invested US\$20 million, which shows that we believe in it."

Agriflora's objective is to expand into Europe and the U.S., establishing daily flights to export produce. "We want to double if not triple our turnover in the next ten years. "We want to fill up a 747 every day. That is what we need to do to be successful," concludes Mr. Slade.

AFRICA'S BEST KEPT SECRET REVEALS POTENTIAL

Tourism is an increasingly strong sector; the government is focusing on promoting Zambia as a vacation destination

Magnificent landscapes, exotic wildlife, political stability, and a welcoming population are among the attributes that have made tourism one of Zambia's primary growth areas.

The spectacular views over the Victoria Falls - the world's largest waterfall and one of the seven natural wonders of the world - are unforgettable, and the country's 19 national parks and 36 game reserves, which host exclusive safaris, are also a big draw for visitors.

In recent years, tourist numbers have increased by an average of 10 percent, and in the budget for 2003, the state allocated an extra US\$10 million to tourism promotion. The developing sector presents a wealth of investment opportunities, from accommodation and transport services to organized tours and package outdoor or adventure vacations.

A clear vision and marketing strategy are essential to the expansion of the industry, says Patrick Kalifungwa, Minister of Tourism, Environment and Natural Resources, as is improving Zambia's infrastructure.

Fundamental to the Ministry's approach is the promotion of eco-tourism. "Diversifying from normal tourism is the key to the success of our industry. We are looking at the people,

the culture, and ceremonies as the diversified selling point. The preservation of our environment and natural heritage is key to the development of our marketing."

To encourage foreign investors, the government is offering tax incentives and facilitating land acquisition and work permits. "In the earlier years, tourism was classified as a social sector, but it is now an economic sector which has to generate funds and contribute to GDP," the Minister explains. The World Bank is providing resources to support the government's efforts to stimulate economic growth and private sector development through tourism, with particular emphasis on Livingstone - the town beside the Victoria Falls.

Tourism operators and investors are assisted by the Zambia National Tourist Board, which also provides information to the general public and is a standards watchdog. It has launched a five-year marketing strategy to increase revenue and visitor numbers, and is working with the Sun International Group to promote Zambia. The luxury hotel and resort company runs the five-star Royal Livingstone



PATRICK KALIFUNGWA
Minister of Tourism,
Environment and
Natural Resources



IAN MCLACHLAN
General Manager
Inter-Continental
Lusaka

and three-star Zambezi Sun Hotels, which opened in 2001, representing a US\$60 million investment.

Zambia is working to improve the accommodation it offers; the capital's Inter-Continental Lusaka is among its flagship hotels. Since it was bought by Uganda-based Mopani



ZAMBIA NATIONAL TOURIST BOARD

Zambia takes pride in the fact that its national parks have remained unspoilt, allowing tourists to really get back to nature. Alongside its wildlife, the Victoria Falls are the top tourist attraction

Group in 1998, the venue has been renovated and upgraded. When General Manager Ian McLachlan took over, it was ranked 139 out of the 140 Inter-Continental Hotels in Europe, the Middle East, and Africa in terms of customer satisfaction - now it ranks eleventh. The hotel attracts mainly business clients and hosts international conferences. The vast majority of its staff are Zambian. "The main focus is to train the staff to anticipate the guests' needs a lot more proactively," Mr. McLachlan points out.

As to the future of tourism in Zambia, the hotel's General Manager highlights the cornerstone of the industry: "The biggest challenge to be met is effective marketing."

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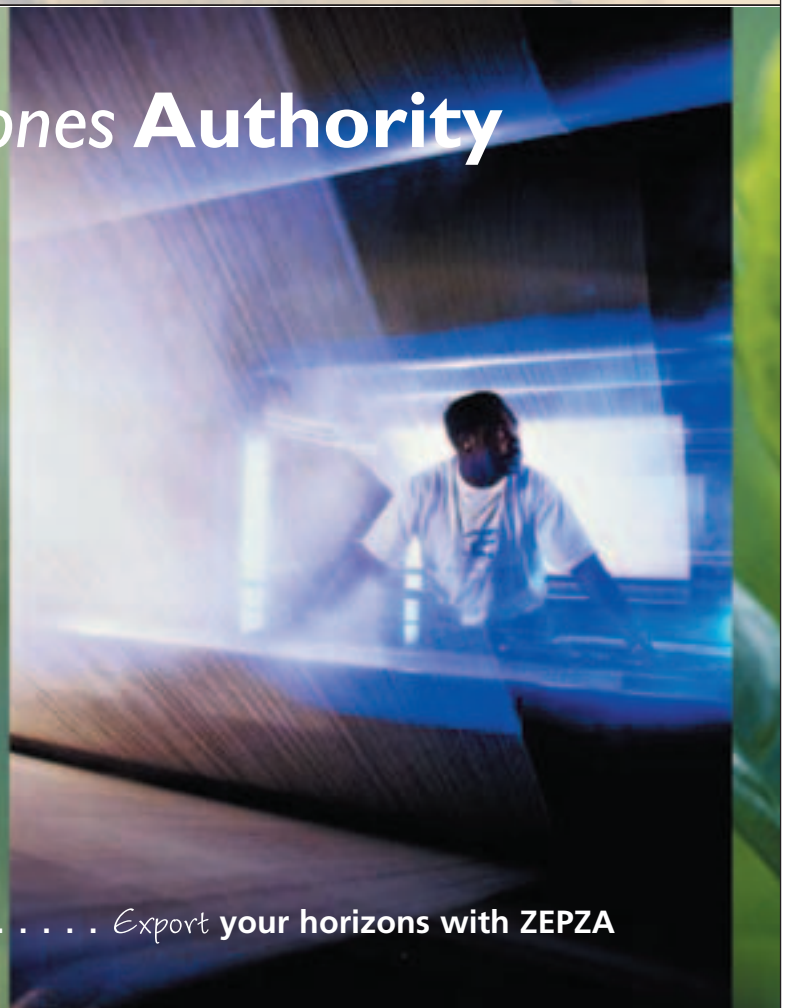
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