

## ZAMBIA

## Natural riches drive nation ahead

LONG

established as one of the world's leading suppliers of copper and cobalt, Zambia is eyeing rich rewards in the oil and gas sector, as its economy powers forward and international investors fuel ambitious socioeconomic developments.

As the home of some of Africa's most spectacular scenery, including the magnificent Victoria Falls, Zambia has a robust tourism industry that has complemented its massive mining sector for many years. The government of President Rupiah Banda has identified 2010 as a year of transformation, with the sub-Saharan country looking to establish new Public Private Partnerships (PPPs) through fresh foreign direct investment (FDI) as part of a long-term development blueprint.

Launched in 2006, Vision 2030 aims to transform the country into a "prosperous middle-income nation by 2030" through improved economic, social, legal, and political systems, combined with greater access to better quality health care, education, and social support.

Foreign investors will play a key role in Vision 2030, as they bring in fresh ideas and much-needed capital to create employment and generates funds for government spending on

**"Globally, we are highlighting the many benefits and rewards of investing in a democratic, safe, and welcoming country."** Situmbeko Musokotwane, Minister of Finance

major infrastructure projects and a wide range of welfare programs in the capital, Lusaka, and beyond.

Having gained independence from the U.K. in 1964, Zambia's ties with British companies are strong, as reflected in the number of U.K. firms already present in Zambia's industries and business sectors. With the discovery of oil and gas residues, the Zambian government is now inviting bids for a



Situmbeko Musokotwane  
Minister of Finance and  
National Planning



Maxwell Mwale  
Minister of Mines  
& Minerals Development



Godwin Beene  
Perm. Sec. in the Ministry  
of Mines & Minerals Dev.

further 23 oil exploration blocks across the country, following the successful first round of bids in late 2009.

Ministers and trade chiefs are confident Zambia can develop this potential source of energy and income to fund its many Vision 2030 goals and lift living standards for its 12 million citizens. "In order to attract FDI, we are making ourselves known internationally and highlighting the many benefits and rewards of investing in a democratic, safe, and welcoming country," states Situmbeko Musokotwane, Minister of Finance and National Planning. "We are gravitating towards the 2030 vision of Zambia being a middle-income country, and working hard to make it easy for companies to start their operations here smoothly."

According to Minister Musokotwane, low inflation, high transparency, generous tax breaks, and other business-friendly incentives comprise key benefits for investors as Zambia focuses on the development of value-added products and new sectors, such as financial services.

Founded 46 years ago, the Industrial Credit Company Limited (I.C.C.) is the biggest independent leasing firm in Zambia with a well-established and very respected brand name and a large customer base. Led by dynamic CEO Paul Richards, I.C.C. has interests in mining, tourism, and agriculture, where its operations include the provision of tractors and storage facilities for tobacco.

**ICC** The pioneers of leasing in Zambia

**Industrial Credit Company Limited**  
Lusaka and Ndola, Zambia

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Facilitating an efficient and safer transport system in Zambia. [www.rtsa.org.zm](http://www.rtsa.org.zm)

An indigenous and forward-thinking business, I.C.C. is finalizing a strategic partnership with a Tanzanian investor that will give it U.S.\$20 million in equity and debt in Q1 2010 and provide it with valuable ammunition in the battle with larger international banks.

"We are going to use this capital for aggressive marketing drives, such as new branches and banking platforms, as well as new I.T. instalments," Richards reveals. "In the past, liquidity has been an issue, but I.C.C. will be the envy of the market in the next two-to-three years."

Richards sees this exciting deal with an East African investor as being a very positive one that will act as the springboard to further foreign growth. "I would like to take our leasing expertise to other parts of East Africa, while bringing the specific products and services of any new partners to Zambia," he says. "Governance, control, and monitoring has been tightened. Zambia is a much-improved country in which to do business."

While financial services, tourism, and oil and gas are emerging markets, mining remains Zambia's most important source of foreign exchange earnings due to the country's massive deposits of copper and cobalt. As the industry continues to diversify, lucrative mining opportunities are also appearing in uranium, nickel, and coal.

"Mining will continue to play a significant role in our economy by financing the tourism and agricultural sectors," says Maxwell Mwale, Minister of Mines and Minerals Development.

"There is every opportunity to find oil and petroleum in Zambia, and while the sector is at a fledgling stage, we are inviting investors to come and explore 23 new blocks."

Godwin Beene, Permanent Secretary of the Ministry of Mines and Minerals Development, adds: "We are very encouraged by British par-



ticipation in the oil exploration process, as one of the U.K. companies found oil in Ghana. We are also confident in our prospecting, due to the amount of local and international interest. Zambia has come a long way in terms of investment, as we now have a strong legal framework in place."

In order to ensure that future earnings from oil revenues benefit residents of the drilling areas, the government has established a special trust fund that will allocate monies to community projects and regional development programs.

In addition, local people will be guaranteed training and employment by foreign oil and gas companies through the 2008 Petroleum (Exploration and Production) Act—a directive that will aid communities and improve general living standards.

However, it is not just a wealth of underground resources that is driving Zambia's economy forward at an ever-increasing pace. With a breathtaking range of scenery such as Victoria Falls, plus a vast array of wildlife, tourism is playing a fast-growing role in the country's development as foreign tourists flood in. Business travelers looking for networking opportunities in luxurious surroundings will find excellent facilities and a warm welcome at Lusaka's Southern Sun Ridgeway Hotel. "We introduce people in similar industries, share databases, and point investors in the right direction," says the hotel's general manager Adrian Penny.

Ministers have also put transport at the heart of their infrastructure development program as Zambia improves transport links in rural areas via various PPP projects.

Established to implement government policy on road trans-

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port, traffic management and road safety programs, the Road Transport and Safety Agency (RTSA) is committed to the development of a safe road network. The agency offers investors effective transport solutions as it focuses on the rural transport sector where many tourist areas are based.

"We can help international firms understand the markets better, such as identifying where productivity is taking place and the location of demand," says RTSA director and CEO, Fredrick Mwalusaka. "We are the bridge to the well-established network of professionals in Zambia."

Similar developments are coming to fruition in the rail sector, with the government-owned Zambia Railways Limited responsible for railway infrastructure and locomotives leased to operator Railway Systems of Zambia. Zambia Railways Limited is seeking foreign investment partners to build new routes and improve tracks and rolling stock.

"My message to investors is 'Don't judge us on the past,'" says Zambia Railways managing director, Knox Karima. "We know the importance of the private sector in assisting us to develop our railway infrastructure."

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THE GOVERNMENT OF  
THE REPUBLIC OF ZAMBIA

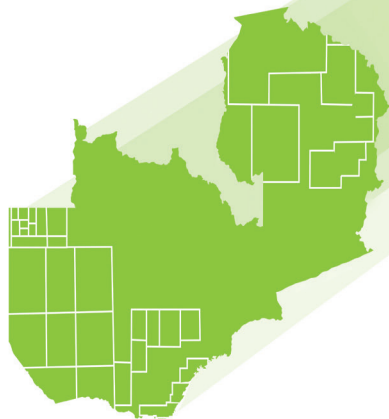
# ZAMBIA

MINISTRY OF MINES AND MINERALS DEVELOPMENT

## Invitation for bids

*Following the successful round of bidding on November 6th 2009, the Ministry of Mines and Minerals Development is now offering another 23 blocks for oil and gas exploration.*

1. The Government of the Republic of Zambia through the Ministry of Mines and Minerals Development in accordance with the Petroleum (Exploration and Production) Act 2008, invites sealed bids for the petroleum exploration licensing round for 23 blocks in the North Western, Western, Southern, Eastern, Luapula and Northern Provinces of Zambia
2. The bidder must be able to demonstrate a proven ability to raise the necessary funds, assets, machinery, equipment, tools, and technical expertise to explore for, produce, sale and dispose of petroleum in an environmentally sustainable manner.
3. A complete Data Package in English may be purchased by interested bidders from the Director, Geological Survey Department, Ministry of Mines and Minerals Development, Corner of Government and Nationalists Roads, P.O. Box 31969, Lusaka, upon payment of a non-refundable fee of U.S.\$10,000.00 (or Zambian Kwacha equivalent). Some of the data may be purchased electronically by e-mail at the Geological Survey Department.
4. Bids in one original and three copies enclosed in sealed plain envelopes accompanied by a non-refundable application fee of US\$10,000 (or Zambian Kwacha equivalent) *per block* must be delivered by courier to be deposited in the Tender Box located at the Ministry of Mines and Minerals Development, 14th Floor, New Government Complex, Independence Avenue, P. O. Box 31969, Lusaka, Zambia by 30th of June 2010. Electronic, telex and telefax offers, and late bids shall not be accepted, irrespective of circumstances.
5. All bids shall be opened in public at the Ministry of Mines and Minerals Development, in the Conference Room situated on the 14th Floor, New Government Complex, Independence Avenue, P.O. Box 31969, Lusaka, Zambia, immediately thereafter. Bidders and/or their representatives who choose to attend the tender opening are free to do so.



A very important date for all companies in the oil and gas exploration industry, deadline day for bidding in one of Africa's most lucrative exploration projects

For further information and clarifications contact:  
The Permanent Secretary  
Ministry of Mines and Minerals Development  
P.O. Box 31969, LUSAKA, ZAMBIA  
Attention: Director, Geological Survey Department  
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Email: seismic@coppernet.zm · gsd@zamnet.zm · Website: www.zambiageosurvey.gov.zm

Dr. Godwin M. Beene  
Permanent Secretary  
Ministry of Mines and Minerals Development



Zambia is inviting tenders for major infrastructure projects such as new roads.



Golden business opportunities exist across the fast-growing Zambian economy.

# Zambia seeks investment partners

**HAVING** initiated the process for the establishment of an integrated framework for the development of Public Private Partnership (PPP) projects in 2005, the government of the Republic of Zambia is now inviting tenders for PPP projects in all economic sectors. The program will be overseen by the PPP Unit under the Ministry of Finance and National Planning. Reputable firms are sought for the following projects:

## 1. Road Infrastructure

The proposed PPP projects comprise the building of new southbound lanes and the upgrading of existing roads as northbound lanes. They include new toll gates, plazas, fencing, and maintenance under time-specific, build-operate-transfer agreements. The projects are: T1, Livingstone-Kalomo Road 124 kms; Kalomo-Choma-Monze Road 164 kms; Mazabuka-Kafue Road 76 kms; and Kafulafuta-Luanshya turn-off Road 35 kms.

## 2. Petroleum Industry

A consultant is required to prepare a detailed study and recommendations on the flow of petroleum products into Zambia, with a focus on the Tazama Pipeline and INDENI Refinery. They are also expected to suggest ideas for the potential redesign of the Tazama Pipeline, and explore the option of expanding the existing refinery in order to maintain the same pipeline for petroleum products such as gasoline and diesel. The review of the petroleum industry should examine the existing regulatory framework in Zambia.

## 3. Agricultural Sector

Expressions of interest are also invited for various farming blocks, including the Nansanga Farming Block currently under development. Firms are expected to set up factories for processing farm produce, as well as managing communal as-

sets and providing management services to distribute commercial services like power and water from a central location.

## 4. Border Infrastructure

Development of the Kazungula Border Post between Zambia and Botswana as a one-stop border facility.

## 5. Airport Infrastructure

The redevelopment of Lusaka International Airport and auxiliary infrastructure, such as the international and domestic terminals, with an option of including other domestic airports.

*The PPP Unit invites firms to submit prequalification application either individually, or as a joint venture/consortium. Preference will be given to applications with local participation.*

*Applicants should include evidence relating to:*

- PPP projects of similar size carried out in the last 10 years, to be defined in numbers and value
- The financial capability to perform a project of this size
- The technical capability to undertake a project of this size
- The key personnel and that of its contractors and their operational experience in the relevant activities of the project.

*Applicants must pay a non-refundable fee of US\$10,000 via cheque payable to the Public Private Partnership Unit-Ministry of Finance and National Planning. Proof of payment must be included. Forms must be marked "Application to Prequalify for (name of project)" in five hard copies (including one original) by 5pm local time on 28th February 2010 to: The Director, PPP Unit, Ministry of Finance and National Planning, Ground Floor, Main Entrance, Chimanga Road, Lusaka, Zambia.*

*Applications received after 5pm will be rejected. For further details, contact: David Ndopu, Director (PPP-Unit) at david.ndopu@mofnp.gov.zm or +260(211)252107, or fax: +260(211)254 995, +260(211)251 078.*

**Ministry of Finance and National Planning**

Public Private Partnership Unit Lusaka. [www.zda.org.zm](http://www.zda.org.zm) [www.mofnp.gov.zm](http://www.mofnp.gov.zm)

