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The Zambian Manufacturer

5 Impacts of High Debt on Zambian Businesses

MOVING to cost reflective tariffs

Enhancing Linkages in the Mining Sector for Sustainable Growth

PLUS
ZAM TAKES ON COPPERBELT

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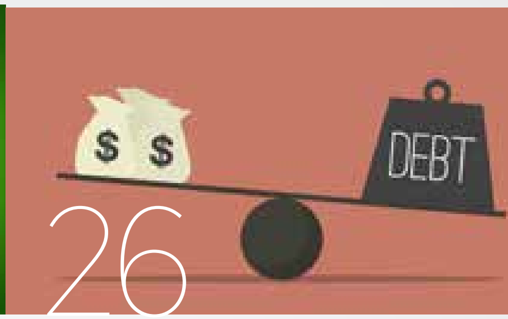

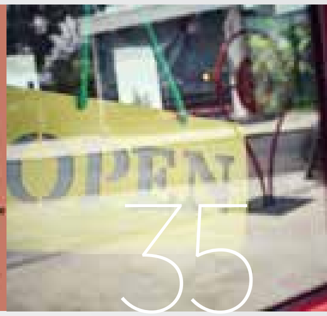

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MINISTER OF MINES AND MINERALS DEVELOPMENT

Distingushed Readers, it gives me great pleasure to provide the foreword for this 12th edition of ***"The Zambian Manufacturer"*** Magazine themed **"Ignite Manufacturing"**. I am particularly excited by the opportunity to share some insights on how my Ministry, the Ministry of Mines and Mineral Development envisages its role and contribution to igniting manufacturing in Zambia.

Distinguished Readers, Zambia is currently positioning itself to address the dual challenge of attaining transformational and inclusive development. Traditionally, the Zambian economy has been heavily dependent on the mining sector, and in particular copper production and export to support its Gross Domestic Product (GDP). It is indeed no secret that the mining sector continues to be considered as the backbone of Zambia economy, contributing between 9-10% of GDP over a number of years. Notably, Zambia is endowed with a significant deposit of minerals and has substantial scope for minerals development including: Base Metals (Iron, Manganese, Copper); Precious Minerals (Gold); Energy Minerals (Coal and Uranium); Industrial Minerals (Limestone, Clays and Sands, Graphite, Gypsum, Silica, Feldspar, Talc, Dolomite, Marble) and Gemstones (Amethyst, Garnet, Citrine, Aquamarine, Tourmaline, in addition to Zambia having the second largest deposit of emeralds in the world, comprising 30% of the world supply). Value addition in the mining sector whether directly or indirectly, has the capability to transform Zambia's economy without leaving anyone behind.

In this regard, I am gratified to note that manufacturers in Zambia have been making significant investments in a number of the areas mentioned above and wish to emphasize that value addition to mineral resources is cardinal for the enhancement of Zambia's economy. The benefits arising from the same include; the creation of decent jobs, reduction of poverty, and enhancement of export capacity and earnings. It is for this reason that my Ministry is exploring measures to enhance Local Content in the Mining Sector by revisiting the Zambian Mining Local Content Initiative (ZMLCI) and supporting the development of joint public-private approaches towards ensuring the procurement of locally manufactured products by the mining sector, as well as creating mechanisms to enhance sectoral linkages that promote value addition to raw mineral resources.

Distinguished Readers, igniting manufacturing requires a concerted and collaborative effort from all stakeholders including but not limited to; policy makers, productive sectors such as agriculture, mining and manufacturing, media houses, research institutions, and the general public. This concerted effort shall stimulate the development of a Proudly Zambian Identity that resonates with the over-arching aspirations of the Zambian people and the Zambian Government to become a ***"Prosperous Middle-Income Country by 2030"***. Further, it is in line with the Proudly Zambian Campaign championed under the banner of the Ministry of Commerce, Trade and Industry (MCTI) and implemented by the Association of Manufacturers (ZAM) to provide quality assurance to consumers and build the capacities and capabilities of producers across various sectors.

I take this opportunity to urge the Zambian public at large to continue supporting the robust growth of Zambian brands and Zambian products that meet the necessary standards by ensuring that you **Buy Local.** For players in the mining sector, our responsibility is twofold;

1) As corporate entities to ensure that we promote a culture of sourcing locally manufactured inputs/products in our procurement processes. This includes but is not limited to; the purchase of locally manufactured protective clothing and footwear, building products, packaging products, refined and processed foods;

2) As miners and indeed as Government to promote the development of mineral value chains in key sub-sectors such as gemstones and precious stones through lapidary and jewelry manufacture, and adding value to our mineral resources such as Manganese Ore and promoting the further development of the Ferro-Alloys Industry.

In conclusion, I wish to reiterate that we must create an ecosystem that promotes inclusive growth and is transformational in nature. The impetus to ignite manufacturing has been given. Therefore, Zambians and all other players are called to respond to this positive environment. I take this opportunity to assure the public that Government remains committed to seeing Zambia transform and manufacturing thrive!

With these few words, I invite you to enjoy reading this Copperbelt Edition of ***The Zambian Manufacturer Magazine*** and encourage you to take advantage of the insights you will gain in this publication, harness the value addition opportunities, and Ignite Manufacturing!

Pleasant reading,

HON. RICHARD MUSUKWA, MP
Minister
Ministry of Mines and Minerals Development

Ignite Manufacturing

WORD FROM THE PRESIDENT

The Zambian economy is going through a tumultuous time. With growing public debt, concerns around the impact of increased domestic borrowing as well as the heightened need for domestic resource mobilization on the cost of doing business and cost of production have gripped the minds of various stakeholders, from the general citizenry to investors in the manufacturing sector. With public debt in Zambia becoming a growing problem, and being perhaps the most pressing economic challenge that the country faces, we must begin to provide concrete solutions to this challenge.

Needless to say, the concerns of the manufacturing sector on the growing public debt are not unfounded. High debt weakens the Zambian economy, and leads to slowed growth. As more funds are channelled towards debt servicing payments, investments in other key areas necessary to promote diversification and more sustainable economic growth such as; skills, research and development, and social spending have been falling. As a result, high debt has limited the Government's ability to respond to economic shocks such as; a fall in the copper price, failing rains or currency depreciation, all of which have negative implications on the viability of the manufacturing sector.

Urgent action is required from government to address the high debt problem. Failure to act and failure to address this issue places the Zambian economy at risk of toppling into an economic crisis. Notably, inflation could increase as the kwacha depreciates, as a result businesses turnover and profits will fall, and jobs will be lost as new wealth is more likely to be created at a slower rate. This is a dire situation. As has been highlighted over decades of Zambia's economic development, there is need of Zambia to build its capacity to generate revenue and promote more sustainable economic development. This is anchored in the ability of the country to foster real growth from its productive sectors such as manufacturing. Unfortunately, the current economic climate speaks to a scenario where years of borrowing on short-term plans with little return on investment has left Zambia with little means to repay its debts - in 2017 interest payments alone cost Zambia K9.8 billion.

Earlier this year, the Government under the auspices of the Ministry of Commerce, Trade and Industry (MCTI) launched three key policy documents to bolster the growth of the Manufacturing Sector, namely; the Industrial Policy, the Local Content Strategy and the Investment Promotion Strategy. These documents provide new hope for the country to undertake structural reforms that will see manufacturing attaining and surpassing its envisaged 20% contribution to GDP by 2030. However, in spite of the policy guidance outlined in these documents, for interventions and/or reforms to be successful the Government must boldly implement the austerity measures as announced by the Minister of Finance – Hon. Margaret Mwanakatwe to curb growth in public debt and address wasteful spending, whilst simultaneously stimulating economic growth in productive sectors that will foster real growth and translate into job creation and industrialization.

Ultimately, igniting manufacturing requires strategic, well-designed and sequenced interventions to yield the expected results and post positive growth for the country. The creation of a more conducive business environment must be anchored in heightened levels of fiscal discipline, as well as private sector engagement on issues of national interest including - averting the debt crisis and undertaking private sector development reforms that translate into meaningful gains for business.

I wish you pleasant reading!

ROSETA CHABALA
President
Zambia Association of Manufacturers

"There is need of Zambia to build its capacity to generate revenue and promote more sustainable economic development.."

Secretariat Update

Zambia Association of Manufacturers is positioning itself to enhance service delivery and benefits to its members. To this end the Secretariat has made significant strides in re-establishing its engagement with Manufacturers all over the country, and has been working diligently to strengthen its strategic alliances with the view to promote the growth and sustainability of both the Secretariat and the manufacturing sector.

1. STRATEGIC PARTNERSHIPS AND PROJECTS

i. COMESA - Zambia Business Roundtable Forum

In an effort to create platforms for dialogue and strengthen the advocacy and lobby of the private sector to effectively participate in regional and global markets, the Zambia Association of Manufacturers (ZAM) in partnership with the COMESA Business Council (CBC) hosted the ***COMESA – Zambia Business Roundtable Dialogue***. The dialogue was held on 27th March 2018, at Radisson Blu Hotel in Lusaka, Zambia under the theme, ***"Industry Competitiveness in Zambia; Focus on Finance, Tax and Trade Policies".***

This high-level dialogue addressed key policy issues in Zambia with respect to tax and investment regulations, access to finance, and a balanced trade policy as a way of addressing industrial competitiveness. It also looked at some of the emerging regulations such as; Surtax Measures and Incentives for Manufacturing (VAT Refunds, Duty Draw Back, Withholding Tax) and their impact on business, and sought to address the financial needs of industry with a particular focus on measures to reduce interest rates and/or the development of specialized facilities and/or vehicles to support industry players. The dialogue further explored opportunities and impediments for cross border trade, drawing particular insights from regional experts drawn from the Congo DR and Zimbabwe, with a view to highlight the impact of restrictive practices on trade relations and export development with neighboring countries.

> "ZAM continues to actively promote the capacity building of graduate students through the internship programme it implements on a 6-month basis."

ii. Cluster Support to Women in Garments Manufacturing Through COMESA- RISM PROJECT:

ZAM has actively been involved with training a cluster of women and youth in garments manufacturing in garments design and tailoring through the support of the Regional Integration Support Mechnism (RISM) project in collaboration with COMESA. At the commencement of the year, ZAM received a consignment of plant machinery (Industrial grade sewing machines and accessories) worth over €100,000.00.

The Secretariat developing a longterm intervention to empower women and youth through a skills development project aimed and harnessing the inherent talent in the garments manufacturing sector and promoting its growth and sustainability over the next few year. This next phase of the project is expected to commence roll out by July 2018.

iii. Promoting Partnerships for Investment Growth in Africa

Building on ZAM's engagement on the Partnerships for Investment Growth in Africa (PIGA) project in 2016, ZAM seeks to utilize the outcomes of the project to effectively build the capacity for investment promotion between Africa (Zambia) and China. In this regard, ZAM aims to participate in the China Investment Forum alongside its members as a means of promoting investments and partnerships in the manufacturing sector.

iv. USAID Supported Training for SMEs in Product and Financial Management

ZAM has secured funding for the Training of Small Scale Manufacturers in Financial and Product Management in 2018 through a small grant facility offered by US Embassy Small Grants Program.

The training will provide SMEs with training support and advisory services that will contribute to enhancing the management of their organizations, and ultimately enhance the growth of their businesses, and competitiveness of their products. The training is expected to be delivered in the 2nd Quarter of 2018. ZAM looks forward to forging a stronger working relationship with US Embassy towards enhancing the performance of the manufacturing sector in Zambia.

2. CAPACITY BUILDING OF GRADUATES

ZAM continues to actively promote the capacity building of graduate students through the internship programme it implements on a 6-month basis. In general, interns undergo training along the following key areas; membership recruitment, office management, policy analysis, research and advocacy including team working and networking skills. During the 1st Quarter of 2018, a total of 3 interns were enrolled under the ZAM Internship Programme. To date, ZAM has training 13 interns under the Internship Programme offered by the Secretariat. ZAM is keen on promoting skills development of youths in manufacturing through their participation in various platforms.

3. MARKETING PLATFORMS

i. Proudly Zambian Logo Roll Out!

ZAM is spearheading the operationalization of the Proudly Zambian – "Think Local First" Initiative. In this regard, 2018 is expected to mark the fully-fledged roll out of the programme which will see the Proudly Zambian Trade Mark come online as a registered, patented and easily identifiable quality assurance mark for Zambian products and services. We are proud to announce that the Proudly Zambian Campaign was successfully re-launched on 14th February 2018 at the Mulungushi International Conference Centre. The event marked the beginning of the robust implementation of a nationwide campaign to bolster the quality and perception of Zambian products and services. Subsequently, the Minister held a press briefing on 29th March 2018 with regards to the use of the Proudly Zambian Logo. The public has been given a grace period of 6 months from the date of the pronouncements for removal of "Proudly Zambian" branding on local products and by local service providers.

The Zambia Association of Manufacturers is proud to be given the opportunity to spearhead this galant effort to foster national pride in what is produced locally and shall take the bull by its horns and aim to ensure that "Think Local First" becomes a motto that is engrained in the minds of all Zambians, from young to old, rich and poor, employed and unemployed, as the nation strives to become more prosperous. Manufacturers and service providers alike are encouraged to keep their ears to the ground and not miss out on any of the awareness and promotional activities associated with the roll out of the campaign and remember ***- "Think Local First"!***

ii. Upgrading of ZAM E-platforms

ZAM is working to enhance access to information and knowledge about Zambian Manufacturing through the upgrading of the ZAM website to make it more interactive and responsive to the information needs of various stakeholders. The website is currently online and is accessible for on the following link; www.zam.co.zm.

ZAM has further launched The ***Manufacturer Magazine*** as an e-publication, enhanced its engagement on social media through the ZAM Facebook Site, as well as re-introduced the e-newsletter with the view to enhance access to information on manufacturing. Engage us! Find out more about Zambian Manufacturing.

4. SECRETARIAT NEWS

i. ZAM Members of Staff

Staffing at the Secretariat has continued to undergo transformation. During the first quarter of the year 2018, we bade farewell to the Business Development Services Officer; Mrs. Tasila Mwila who had served in that capacity since June 2014. She was overseeing the Business Development Services Unit of ZAM which focuses on creating value for money for members. ZAM would like to wish Mrs. Mwila the very best in all her future endeavors. Further, we welcomed Mr. Christopher Chama – Policy Intern, Mr. Mwenya Luchembe – Membership Intern and Ms. Sopani Muzumara – Administration Intern.

NAME	POSITION
Ms. Chipego Zulu	Chief Executive Officer
Mr. Tawila Anamela	Policy Analyst
Mrs. Chipo Mtonga	Finance and Administration Officer
Mr. Kennedy Simwaka	Logistics Officer and Office Assistant
Mr. Christopher Chama	Policy Intern
Mr. Mwenya Luchembe	Membership Intern
Ms. Sopani Muzumara	Administration Intern

Policy Update

The second quarter of the 2018 marked the end of the first half of the year and the beginning of Governments budgetary consultative process and the introduction of various policies that are focussed on facilitating the realisation of Vision 2030 and the 7th National Development Plan, by turning Zambia into a prosperous middle income country.

HIGHLIGHTS

ZAM Submits its 2019 National Budget Proposal

This year, the process of preparing for the 2019 National Budget commenced with the preparation of Policy Briefs. The process for development of the 2019 Budget uses the existing structure under the 7th National Development Plan to ensure proper alignment with volume II of the 7NDP. Under this structure, the National Development Coordinating Committee (NDCC) was the platform used for conducting policy hearings.

The approach used by the government was that the Ministries proposed policy using set guidelines for preparing the 2019-2021 Budget Policy Paper. All stakeholders including private sector where given the opportunity to provide input into the proposed policies through Technical Working Groups. As the Apex body representing the interests of the manufacturing sector that focuses on foster national economic growth through value addition, ZAM was is the technical working groups under Cluster Advisory Group 1 - Economic Diversification and Job Creation.

The Technical Working Groups met from 17th -19th April 2018, to prepare for the Budget Policy Hearings. Here the association had the opportunity to make a presentation on its 2019 National Budget proposals based on the submissions received from the membership.

Following the Policy Hearings, ZAM proceeded to finalise its 2019 National Budget submission in July 2018, after conducting comprehensive consultations with its members and submitted it to the Ministry of Finance.

National Alcohol Policy Meeting with the Minister of Local Government.

Following the approval of the National Alcohol Policy by Cabinet, the Ministry of Local Government invited ZAM and all Alcohol Manufacturers to discuss the implementation Plan of the National Alcohol Policy on 14th June, 2018. In light of this invitation, the Associated held an Alcoholic Beverages Sub-Committee meeting on the 12th of June 2018, with its membership in order to ensure that the association adequately represents the views of the players in the sub-sector.

During the meeting with the Minister of Local Government Hon. Vincent Mwale, MP, The association highlighted various challenges that may arise as a result of the lack of sufficient stakeholder consultations conducted by Government in the implementation of the Policy. The association further highlighted concerns and observations as highlighted bellow, but not limited to:
`

- That an increase of taxation on alcohol products is not in itself a solution to solve issues of alcohol abuse. That an increase in taxation would result into the mushrooming of more underground manufacturers and the growth of illicit trade.
- That there is need for the government to place an emphasis on quality assurance and compliance. This is the only way in which alcohol manufacturers can be made accountable for the products they produce and the government can ensure that the products created meet the set standards. This emphasis on quality assurance is the main rationale behind the Proudly Zambian Campaign.
- That there must be more stringent measures established for the granting of licenses, thereby, ensuring that manufacturing licenses are actually granted to manufacturers and not mere traders.
- That there is a problem of duplication of efforts by the Government agencies. The alcoholic beverages sub-sector recommends that there should be joint inspections (streamline) by the council, Ministry of Health and other regulatory agencies in order to combat this challenge.
- Raise incentives that persuade firms to increase their efforts in Corporate Social Responsibility.

Review the Draft SDGs National Coordination Framework

The 7NDP has adequately mainstreamed SDGs and hence, SDGs implementation coordination will be done with the Institutional arrangements that have been put in place for implementation of the plans programmes/projects. ZAM together with other key stakeholders actively participated in a consultative meeting organized by the Ministry of National Development Planning in collaboration with the UN System in Zambia, to review the draft SDGs Coordinating Framework from 6th to 8th June 2018.

Committee Meetings

The policy department participated in various committees meeting over the course of second quarter, including but not limited to, the following:

COMMITTEE	FOCUS
National Trade Facilitation committee (NTFC)	Progress report on the Implementation of the World Trade Organisation Trade Facilitation Agreement (WTOFTA) 1. Status updates on the E-Trade Portal 2. Expectations on when the Entry Point (EPA) report should be finalised by the consultant. 3. The enactment of a legislation to govern advanced Rulings 4. Joint inspections Zambia Compulsory Standards Agency (ZCSA) and Zambia Revenue Authority (ZRA) at the Chirundu Border Post and the need to move them inland. This is in efforts to decongest the border.
Africa Continental Free Trade area Committee	1. Comprehensive review of the AfCFTA Rules of Origin 2. Preparatory meeting on the AfCFTA Negotiation Forum, Senior Trade Officials and African Union Ministers of Trade.

Policy Enactments

The following are the Key Policy enactments released during the second Quarter:

- National Alcohol Policy
- National Local Content Strategy
- National Investment Promotional Strategy
- National Industrial Strategy

By Tawila Anamela – Policy Analyst

2018
Mid-Year Economic Indicators
ZAMBIA

Located in Southern and Central Africa, Zambia is a growing economy with a population of, approximately, 17.2 million people. Zambiaís Gross Domestic Product per capita as re-corded in the first half of 2018 was 1,480 US Dollars.

GDP Growth Rates

Zambia's GDP growth rate in 2017 was recoded at 4.1 percent, showing an increase of 0.7 percent from 2016. An increase in the economic activities in the first half of 2018, Indicates that the GDP growth rate will be at 4% – 5% over the medium term.

Exchange Rate

The exchange rate is simply the value of one currency for the purpose of conversion to another. The exchange rate is a very important economic indicator for the business community as it plays a vital role in determining the cost of buying and selling. During the first half of 2018, the Kwacha remained relatively stable against the major trading currencies trading at an average of K9.93 per US dollar.

Inflation Rate

Inflation rate is another imported economic indicator to the Business community. Annual overall inflation ended the fourth quarter of 2017 at 6.1%. However, by July 2018 inflation increased to 7.8% amounting to a 1.7% increment in the first half of the year. Though remaining within the targeted range of 6 – 8 percent, the drastic increment is a potential cause for concern.

Commercial Bank Average Lending Rate

The Commercial Bank Average Lending Rate is the average interest rate at which the Commercial Banks lend money. The Commercial Bank Average nominal Lending Rate remains high at 24.3% as at June 2018. At these levels, lending rates are too high to support manufacturing sector, they continue to constrain credit growth, and contribute to the current high non-performing loans.

Total Non-Traditional Exports

The promotion of non-Traditional Exports is essential in order for Zambia to achieve its goal of effective economic diversification. The Share of Non-Traditional Exports of the country's overall exports earnings as at June 2018 averaged at 22.9%, amounting to $483.8 million.

What is ZAM?

ZAMBIA ASSOCIATION OF MANUFACTURERS (ZAM) a registered organization in the Republic of Zambia is a business association representing the interests of the entire manufacturing sector and other related economic and/or production sectors in Zambia. It was established in 1985 with the view to foster dialogue and relations between the Manufacturers and the Government so as to increase industrial intensity in Zambia.

ZAM's major objective is to promote the manufacturing sector through policy advocacy, dialogue, lobbying and technology upgrading of the production process as a way of improving productivity and competitiveness in industry.

Vision:

"To be the Association that will provide a forum for Manufacturers to network and dialogue with Government and other stakeholders in creating an enabling and conducive business environment"

Mission:

"To facilitate and promote the growth of an efficient and modern Manufacturing sector in Zambia.

Sectors Represented:

- Agro Processing
- Building Products
- Beverages (Alcoholic and Non-Alcoholic)
- Electrical Engineering
- Explosives
- Gemstones
- Industrial Gases
- Leather & Leather Products
- Metal Fabrication & Engineering
- Milling
- Paints
- Paper & Printing
- Petroleum Products
- Pharmaceuticals
- Plastics
- Refractory / Cement
- Rubber Products
- Soaps & Chemicals
- Textiles & Garments
- Wood & Wood Products

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Enhancing Linkages

in the Mining Sector for Sustainable Industrial Growth

By PEP Zambia

Local content is a hot topic in the extractives industry, especially here in Zambia. There is no doubt that significant commercial advantages could be accrued by mines in Zambia through buying manufactured products and maintenance services from local companies. However, despite local and political pressure, the mines are largely supplied with goods and services from outside our borders.

From a business perspective, this situation would seem to be counter-productive. Through speedy, often face-to-face communication channels and minimal transit distances between the mines and suppliers, local sourcing could be extremely beneficial to mining clients and local companies alike. Short and efficient supply chains, with suppliers local to the point of use, are able to react quickly to customer needs. Reducing the need for long-distance transit of goods, spare parts and items requiring servicing would lead to significant savings in logistics costs and the need to hold large quantities of spare and replacement parts. In addition, it would also result in significantly less impact on the environment through the reduction of fossil fuel use.

It would seem therefore that there is a strong case to be made for increasing the amount of content supplied to the mines by local Zambian firms. But before we can start to make improvements in the amount of local content delivered into the mines there needs to be clarity and a common understanding of what we mean by local content.

Firstly, it is important to note that there is a clear difference between local content and local procurement. Local content is where a manufacturer or service provider supplies goods or services that have been produced

here in Zambia, where there is Zambian added value. Local procurement incorporates local content but also includes where Zambian registered companies supply products produced outside Zambia, with minimal local added value. The diagram above helps to clarify the distinction.

Our research would indicate that although local procurement through agents is reasonably widespread ("Supplier B" in the diagram), purchasing of true local content is the exception rather than the rule. We recognise that there are specialised products and services that the mines will always need to source from outside Zambia. However, what we need to move towards is mines purchasing meaningful levels of locally produced goods and services, not just imported through agents and middlemen. Referring to the diagram above, what we need to do is move more towards increased "Supplier D" involvement in the mining supply chain, with less reliance on "Supplier A & B".

"What we need to move towards is mines purchasing meaningful levels of locally produced goods and services.."

But how come levels of local content in the mining sector are so low? It is the result of a vicious circle that has been going on for many years. With little business coming from the mines, local manufacturers have not been able to invest in modern technology and skills development. In turn this has increasingly diminished their ability to supply the mines with products and services that meet modern standards and can compete with foreign producers. This reduces even further the opportunity for local firms to supply large customers like the mines. And so, the cycle of decline continues.

It is apparent that the mines do turn to local suppliers that can respond to emergency breakdowns where a critical component is required to be manufactured in a very short time. But companies can't survive long term and invest in new technology and staff development without a steady stream of orders. Over the years the gap between the ability of local companies to supply the mines with appropriate products and services has widened, with poor employee skills, outdated technologies and old machine tools. With the right mindset this gap could be closed, but it requires government agencies, the mines, local supplier companies, university departments and chambers of commerce to work in partnership for the long term commercial benefit of all.

If we look at the experience of successful manufacturing industries such as the automotive sector, local engineering and manufacturing businesses are seen as an extension of the client company's own engineering team. Large scale clients recognise that having a skilled and well-resourced local supplier base is in their own commercial interest and is worth investing in.

By working together, a technologically strong local supplier base can be developed within the mining sector here in Zambia, allowing mines to supplement their own internal capability in specific areas like metal fabrication, castings, machined parts, workwear and other manufactured components. This also can include the supply of on-site or workshop maintenance services to increase equipment's availability and reduce down-time.

Given the current state of play in the mining sector, it is proposed that to produce a supplier base that is both technically and commercially robust, mines and suppliers need to work in partnership to develop a systematic supplier development programme. For this approach to bear fruit, it will require a significant change in mindset on all sides, with all stakeholders accepting that in order for better outcomes for all, current custom and practice will need to change. As we know, change can be uncomfortable, especially in the early stages but we can take confidence from experience around the world. There is nothing new in the concept of a supplier development programme as in many other sectors of industry they are seen as standard practice, bringing significant commercial benefits.

Not only will a supplier development approach require commitment from all sides but it will also require a degree of financial investment. One source of financing could include the redirecting of some or all of the budget set aside for corporate social responsibility projects (CSR). If CSR budgets were invested to develop and build capacity and capability of selected local companies, this could help develop a cohort of first-class suppliers, have a long term significant impact in creating wealth and jobs in Zambia that in turn will help to alleviate poverty. It would also deliver sound commercial benefits for the mine.

To demonstrate the concept, Mopani in partnership with the Private Enterprise Programme Zambia (PEPZ) is in the process of setting up a pilot supplier development programme. Within this pilot, Mopani aims to work with up to ten local engineering and manufacturing companies. PEPZ is recruiting a supplier development expert who will facilitate the setting up of the supplier development programme and where appropriate, PEPZ and Mopani will jointly support further interventions that are required to bring the selected local companies up to the required standard.

Importantly, any supplier development programme worth the name is not a one-off exercise but a process, where continuous improvements take place every day. It is therefore key that the systems that underpin the supplier development programme are long term and sustainable. The chambers of commerce and industry in the Copperbelt and North-Western Provinces are seen to be a vital part of this long-term system, acting as intermediaries between the mines and their suppliers. As permanent players in the local economy, they are in an ideal position to identify where there are opportunities for their members to supply the mines and to facilitate skills development programmes in order to build the capacity of the manufacturing and maintenance services in Zambia.

The pilot project with Mopani is a great first step. However, following a sector-wide roundtable discussion event which took place in June 2018, there is clearly a desire within all the major mining groups to explore how we can work together to improve levels of local content in the industry as a whole. PEPZ would be delighted to hear from other companies, both mines and potential suppliers, who are keen to pioneer the move towards a stronger, more robust and dynamic Zambian manufacturing sector.

Eric J Miller
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"By working together, a technologically strong local supplier base can be developed within the mining sector here in Zambia.

Building Quality through Conformity Assessment in Zambian Manufacturing

By Zambia Bureau of Standards

The manufacturing sector is undoubtedly one of the key cornerstones of any economy. It allows for diversification and reduces dependence on imported goods while encouraging exportation of locally manufactured products.

The manufacturing sector is indeed a cardinal ingredient for economic growth, employment creation and development. For Zambia, like many other countries, the sector is assuredly a major contributor of the country's gross domestic product (GDP) and has created jobs for many Zambians.

With the steady growth of the manufacturing sector, the Bureau has been investing its time and resources to nurturing domestic brands and creating awareness on the importance of manufacturing products that are up to standard as this will create value and provide opportunities for the growth and advancement of the sector in Zambia. It is no secret that the world has become a global village and consumers today are able to afford the best that money can buy hence the need for manufacturers to offer better quality.

The Zambia Bureau of Standards is a strategic partner to the manufacturing industry that is able to offer technical expertise for improving the quality of goods and services. The Bureau is charged with the responsibility of providing standardization and conformity assessment services that guarantee the quality consistency and competitiveness of products and services. As we delve a little more into issues of conformity assessment, you will appreciate that for any manufacturer to succeed, it is inevitable that this partnership is strengthened.

The first step to building quality is to appreciate the role of standards in any business process. Now in terms of the use of standards by manufacturers, what these standards do is that they provide guidelines and requirements necessary to ensure that a product or service is fit for the purpose it was intended for and that it is complying with quality requirements. As a Bureau, we have gone a step further by being one of the countries that is implementing the SADC and COMESA harmonized standards.

When it comes to harmonization of standards, we want to ensure that there is mutual recognition of local brands across the borders. Harmonization of standards at regional level is key for collaboration and publishing of common standards that allows for products to be accepted regionally or internationally. Currently 57 standards have been harmonized within the SADC region which means there is mutual recognition of these 57 products and companies can export their products across the SADC and COMESA regions. For example, in the SADC region we have harmonized standards for fish and fish products, cement, railway systems, honey and many other products. We invite you to apply for certification to any of these regionally harmonized standards.

Conformity assessment through testing and certification is yet another way that the manufacturing sector can build quality in local brands. For many, a good product is hailed for its goodness. No one ever considers and appreciates the process that goes into coming up with a good product. Laboratory testing is an invisible side of quality assurance, however the majority of quality assurance decisions from raw materials used in manufacturing to finished products are derived from laboratory tests.

" The reasons why we advocate for testing of products is to ensure that the products are safe for use by consumers or the general public..."

The Bureau provides testing services to a wide range of clientele that include manufacturers, exporters, importers, regulatory bodies, producers of various products, retailers, academic institutions, the general public and consumers. Currently a total of 3,338 products have been tested for conformity and the Bureau is targeting to test a further 7,500 product samples by the end of December, 2018

The reasons why we advocate for testing of products is to ensure that the products are safe for use by consumers or the general public, to ensure product quality and compliance with requirements of relevant standards and also as a way of ensuring adherence to good manufacturing practices and applicable regulations.

As an added incentive, we recommend to industry product and systems certification. Certification refers to confirmation or an attestation that products, processes or systems of an organization meet the requirements of a standard or specification. The process verifies that manufacturing practices remain consistent over time and allows consumers to confidently target products that are certified, able to meet their basic needs. Once a product is certified, a mark of conformity is applied on that product which is a guarantee of its quality & safety giving it an opportunity to be sold and accepted locally and internationally.

ZABS has so far certified 34 products ranging from cement, to electrical cables, to food and beverages, to steel bars and many others. We have also certified 8 companies under various management systems and yet to certify more. Some success stories of companies that we have certified include that of Lafarge Zambia who were the first company in Zambia to be certified and carry the product certification mark on their product. We have companies such as Manzi Valley, Global Industries and Trade Kings Zambia limited who have been consistent in the supply of quality products on the market. Their products have consistently met the required national and international standards and they have continued to grow their market share locally and internationally. COMACO is another company, an SME that has successfully implemented a food safety management system based on HACCP standard and the Zambian standard ZS 034. This company has demonstrated its commitment to quality by acquiring Product certification for its product. There has been an improvement in their packaging and labelling. Their Peanut Butter Product under the brand name "it is wild" is a product that ZABS is proud of among other certified products.

As a friend to Industry, we are there to ignite appreciation as opposed to enforcement and that is why we have partnered with bodies such as the Zambia Association of Manufacturers (ZAM) and Zambia Chamber of Commerce and Industry (ZACCI) through memorandum of understandings that allows for improved participation by members of the two bodies in standardization and conformity assessment activities. Together, we aim to improve the quality of local brands and promote the buy Zambia campaign which advocates for an appreciation of locally manufactured products.

Quality Testing Laboratory Services

Are you looking for competent and ISO/IEC 17025 accredited laboratories to provide you with quality testing services? The Zambia Bureau of Standards (ZABS) has competent and ISO/IEC 17025 accredited laboratories providing various testing services to help you ensure that your products conform to set standards. Our testing laboratories are open to all ***manufacturers and producers of various products, importers, exporters, processors, hotels and restaurants, drilling companies and the general public.***

What testing laboratories are available at ZABS?

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ZABS
Zambia Bureau of Standards

FACTSHEET

FIVE IMPACTS OF HIGH DEBT ON ZAMBIAN BUSINESSES

1. ARREARS AND UNPAID BILLS

With more and more money being channelled to debt servicing, the Government is short of cash, which leads to mounting arrears.

In July the Minister of Finance confirmed arrears had risen to 13.9bn Kwacha. The impact of delayed payments on the private sector can be critical; local companies' cash flows are hit hard, which can lead to delayed wage payments and postponed investments, reducing the private sector's contribution to GDP growth.

2. REDUCED ACCESS TO CREDIT

Companies struggle to access credit domestically as high levels of domestic borrowing by the Government reduces access to finance on the domestic market.

New lending to businesses between January and March 2018 witnessed a significant decline of 3.5 percent – this stands in contrast to the growth in lending of 8.3 percent that was posted during the last quarter of 2017. This contraction presents a serious threat to private sector-led growth: smaller businesses will find it increasingly hard to obtain the finance they need to expand, or even to cover themselves during periods of negative cash flow, while larger businesses will find it harder to raise funds for major investment projects.

3. FALLING INVESTOR CONFIDENCE

External investment are likely to reduce, as Zambia's high total debt stock impacts investor confidence, leading to higher interest rates on the international market.

Investors drive up interest rates in return for greater risk of default, making the components of economic expansion, such as infrastructure, business growth and business loans, more expensive.

4. PRESSURE TO MAKE REDUNDANCIES

As the economy contracts and access to finance narrows, companies risk being forced to make reductions in employment.

A weak economy combined with a credit squeeze means less demand for companies' services and products. Ultimately this means many companies risk being forced to downsize and lay off workers. This can include workers which companies have invested time and money skilling up.

5. PRO-BUSINESS PUBLIC SPENDING CUT

Government funding which is intended to support the private sector and economic growth will be hit as it struggles to meet high interest payments.

Government now spends around 20% of its revenue on repaying debt. Once you also account for spending on salaries, this leaves a shrinking pot of funding for other areas. This includes spending which can help boost productivity and growth and help business – for example training, research and development as well as physical infrastructure.

POLICY OPTIONS TO AVERT DEBT CRISIS

- There are solutions to avert this debt crisis, and the Government needs to act to put the country on a more sustainable trajectory. The policy responses potentially include;
- Re-establishing dialogue on the option of borrowing from the IMF, which if successful would send a signal to the markets about Zambia's fiscal discipline;
- Dismantling/paying off arrears and further enhancing transparency about the scale of Zambia's public debt;
- Reducing the fiscal deficit, cutting wasteful spending.
- Enacting key legislation such as; The Planning and Budgeting Act and the Loans and Guarantees Act to ringfence the aspirations of the Public Financial Management Act.
- Increasing private sector engagement and consultation on workable solutions to high debt accumulation.

Tax me if you can:

How Research Can Help Increase Tax Revenues Without Hurting Economic Growth

By Twivwe Siwale (Country Economist, IGC Zambia), Ella Spencer (Head of Monitoring, Evaluation and Learning, IGC), and Emilie Yam (Policy Communications Manager, IGC)

Collecting taxes may be a thankless job, but somebody has to do it. Tax revenues enable governments to build infrastructure, deliver public services, and enforce law and order – key ingredients for economic growth and development.

However, the productive sectors that pay taxes and drive economic growth – manufacturing, agriculture, services, and mining – and the government often have very different views on the relationship between taxation and growth.

This divergence of views between the government and the productive sectors is partly because taxation, often involves moving funds from a relatively more efficient and productive private sector to a less efficient public sector.

Yet in the world today, few countries have reached a high level of prosperity alongside a low- tax state . Most developed economies typically collect 30-40% of GDP in tax revenue, while developing countries, particularly in Africa, lag behind, averaging between 10-20% of GDP. For Zambia, the tax-to-GDP ratio over the last few years has averaged around 14.1 % of GDP. The inability to raise a higher share of tax to GDP, therefore, is both a symptom and cause of underdevelopment. Achieving a high tax-to-GDP ratio does not necessarily have to adversely affect the productive sectors in the form of higher tax rates. Many factors including tax paying norms, the structure of the economy, and political institutions play a role in determining the tax-to-GDP ratio of a country. Higher tax rates for productive sectors like manufacturing can lower productivity and reduce domestic and foreign direct investment, ultimately slowing growth. Getting the right policy mix between increasing tax revenues and keeping the productive sectors growing is vital. Research can shed light on how firms and tax authorities can collaborate to improve the design and enforcement of existing tax policy, a step that is mutually beneficial.

> Tax authorities in developing countries often lack the information and enforcement capacity necessary to collect enough tax revenue.

In July, the International Growth Centre (IGC) – an organisation based at the London School of Economics and Political Science and in partnership with the University of Oxford – brought together leading researchers, policymakers, tax authorities from across Africa, civil society, and development partners around the subject of tax policy design and enforcement during a conference in Lusaka. The following are key findings from the conference.

Consumer and firm incentives can improve tax compliance, if implemented effectively

One of the ways tax revenue can be increased without adversely affecting economic growth is by improving tax compliance. Incentives play an important role in improving the effectiveness of tax systems both at the consumer and firm level. Anders Jensen (Harvard University) presented a VAT project in Rwanda, funded by the IGC, examining the role of consumers in encouraging firms to comply with VAT. Researchers sought to understand what keeps consumers from participating in government schemes that incentivise them to enforce VAT, such as asking for a receipt when buying something at a retail store, through a survey of 550 Rwandans across major cities. One such scheme in Rwanda is a 'receipt lottery' where Electronic Billing Machine (EBM) receipts become lottery tickets for cash prizes.

The study found that consumer participation in the lottery scheme is constrained by the sign-up criteria – 31% of those surveyed were ineligible because they don't have access to/ don't use the internet – and lack of awareness of the scheme – 40% did not know about the lottery. Furthermore, consumers face potential price increases – 55% report having to pay a 'price penalty' when asking for a receipt. However, results also showed that consumers are willing to participate in well-advertised schemes with a sufficiently high reward.

Another IGC project on VAT compliance in Uganda, presented by Justine Knebelmann (Paris School of Economics), is looking at the effectiveness of the VAT paper trail in dis-incentivising tax evasion. As part of the study, the Uganda Revenue Authority sent monitoring letters to firms found to be misreporting their VAT. Preliminary results show that after receiving the letter, 20% of these firms amend their VAT reporting, and firms are less likely to misreport their VAT. If they do misreport, they do so by a lesser amount. Overall, VAT liability increases for 62% of buyer and 21% of seller firms that are part of the study.

In South Africa, a project presented by Sharon Smulders (University of South Africa) examined the role of costs and incentives for small businesses to be tax compliant. The study found that the costs to comply with taxes are high and regressive, with laws and operational procedures being very complex. Furthermore, these businesses are not aware of the incentives provided by the revenue authority - for example, a scheme that identifies high performing small businesses and provides incentives such as tax benefits and the opportunity to bid for government contracts. Some of Professor Smulders' policy recommendations include improving education and outreach to small businesses, making tax filing easier, and simplifying legislation.

Using data creatively can unlock revenue potential

Tax authorities in developing countries often lack the information and enforcement capacity necessary to collect enough tax revenue. Both innovative and practical research, done in collaboration with tax authorities, can address these constraints.

Ofir Reich (University of California, Berkeley) presented research conducted in India that aimed to identify fake firms, which only exist on paper and make money by falsely reporting transactions with genuine firms. This approach leads to the government receiving less tax due to the lower estimate of value added calculated. These firms are difficult to detect, requiring significant man-power for what are often poorly targeted inspections. The estimated revenue losses associated with the fake firms comes in at around $300 million annually.

The researchers made use of anonymised data provided by the National Government Territory of Delhi, India, which provided information on the VAT returns of all registered private firms. Using a machine learning approach, they were able to analyse the data to better understand the behaviour of firms who were known to be fake, before looking for similar suspicious behaviour in the data available for existing firms, and then targeting the firms that exhibited similar suspicious characteristics.

The analysis identified different signs of suspicious behaviour, with one example being that fake firms tend to have low profit margins, and correspondingly trading partners with low profit margins. The approach proved to be highly accurate; of the top 400 suspicious firms, the expectation is that at least 30% will be fake. The research has the potential to identify significant revenue gains and demonstrates the value of using data held by revenue authorities in creative and innovative ways. The researchers are now exploring options for extending the same approach working with revenue authorities in other countries. There is also significant potential to extend the approach to other areas of tax administration.

This work illustrates how using data in creative and innovative ways can unlock new revenue streams. Tax collecting agencies happen to be treasure troves of big data that can provide key economic insights, making policy recommendations more reliable. Presently, a lot of tax data held by African tax agencies is not being leveraged to its fullest potential.

IGC research in Zambia

The IGC and Zambia Revenue Authority (ZRA) are currently in a partnership to collaborate on research and data sharing for the purpose of conducting tax research and enhancing research capacity in Zambia. One current project underway which is key to the manufacturing sector is a study on the barriers to tax compliance for micro, small and medium enterprises (MSMEs) in Zambia, firms which dominate the country's firm landscape. A recent firm census estimated the number of MSMEs at 47,428 in Lusaka alone with most of these firms operating outside the formal economy and outside the tax net.

One of the ZRA's major concerns on this project is increasing the levels of tax compliance in the sector: in 2016, taxes paid by MSMEs only constituted about 15% of collected revenue. MSMEs in some sectors have correspondingly raised concerns that complying with current tax obligations is overly costly considering their sales volumes. The objective of this research is to test how specific, cost-effective, ZRA policy interventions can increase voluntary tax compliance among MSMEs in Zambia. The study also examines factors that affect tax morale among MSMEs in Zambia.

The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research. The IGC is majority funded by the UK Department for International Development (DFID). Find out more at www.theigc.org.

BRITISH AMERICAN TOBACCO
ZAMBIA

We have relocated to our new premises

British American Tobacco Zambia Plc (BAT Zambia) wishes to inform its valuable stakeholders that we have relocated to the Multi-Facility Economic Zone (MFEZ), Plot F10723, Chimfwema Road, Off Leopard's Hill Road, Lusaka.

For more information, please contact the Legal & External Affairs Department on +260 968 578 814 / 787 / 61

SCRAP METAL SCARCITY

The Silent Killer.

The Foundry Industry forms the base of any growing economy and provides an enabling environment for industries to become more self-sufficient.

The number of non-ferrous foundries in Zambia has increased over the years and with it the demand for non-ferrous scrap metal.

However, the indiscriminate export of non-ferrous scrap abroad and to neighbouring countries will have a serious detrimental effect on the local foundry industry in the long term.

The local foundries have regrettably to compete with Foreign nationals who have driven the prices of non-ferrous scrap to levels whereby the local foundries are finding it increasingly difficult to compete.

The situation is fast reaching the point whereby foundries will soon have to produce using virgin materials, which would substantially increase the prices to a point where it will be more economical for the Mines and other consumers to import direct.

Whereas the local foundries have invested heavily in infrastructure, machinery, a permanent labour force, pay their taxes, N.A.P.S.A.- all utilities etc., the individuals against whom they are competing – FOR THEIR BASCIC RAW MATERIAL to keep their foundries in production-- is not permanent and will leave once they have depleted the meagre quantities of non-ferrous scrap available.

The investment and overheads of these individuals is minimal to say the least and does not allow for a "level playing field" and the relevant authorities should look into the following – all of which genuine Investors are subjected to:

INVESTMENT LICENCE/PHYSICAL ADDRESS/INFRASTRUCTURE/EXPORT LICENCE DETAILS/PROOF OF EXPORT EARNINGS/EXPORT SELLING PRICES/TAX & N.A.P.S.A. PAYMENTS/ PERMANENT EMPLOYEES ETC.

IT IS UNACCEPTABLE THAT LOCAL MANUFACTURERS SHOULD HAVE TO COMPETE FOR THEIR BASIC RAW MATERIALS-- WITH INDIVIDUALS WHOSE SOLE INTENTION IS TO EXPORT BADLY NEEDED METALS FROM ZAMBIA.

The Zambian Government recognised the danger in allowing the indiscriminate export of steel scrap from the country and with the banning of exports of steel, Kafue has been transformed into a bustling town providing employment for thousands of Zambians and saving the country billions on imports.

Whereas the Non-Ferrous Foundry Industry is only a fraction in terms of volume of that of the steel industry, it is still of significant importance to the growth of Industries in Zambia, manufacturing spares and replacement parts for the Mines/ Cement Industry/ Zambia Sugar/ ZAMEFA and Neelkanth, heavy and light engineering works throughout the country.

THE GROWTH OF THE INDUSTRY OBVIOUSLY HAS A POSITIVE EFFECT ON THE CREATION OF EMPLOYMENT AND SELF-SUFFICIENCY.

The non-ferrous scrap required by the local foundries is not substantial and varies between 2 to 5 Metric Tonne per foundry per month of aluminium/brass/BRONZE & copper.

BRONZE has been highlighted as this is the alloy which is being exported and which is the raw material used for over 90% of the billets and castings required for the manufactures of spares for the Mines and Industry.

There are foundries that have on file orders for urgently required billets and castings, for the Mines etc. however they are unable to service these orders-- the sole reason being due to the lack of raw material.

Regrettably the scrap generated by the local engineering works is minimal and the Mines and larger industries should commit themselves to the "SUPPORT OF LOCAL INDUSTRY"

Mopani Copper Mines, Sulzer Zambia Ltd and Zambia Sugar Plc. must be commended as their accumulations of bronze scrap are offered to local foundries.

This philosophy will not only assist the foundry industry, but send a message to the so called "investors" that ZAMBIA'S LOCAL INDUSTRY COMES FIRST.

The medium to long term goal should be to have a situation whereby NO METALS ARE EXPORTED WITHOUT VALUE ADDITION.

Reducing Your Carbon Footprint

The LED Solution

By Mr. Lubuto Chikwanda

“Carbon Footprint” relates to human activities and their impact on the level of greenhouse gases in the Earth’s atmosphere. A Primary Carbon Footprint is a measure of the CO_2 emissions produced directly from the activities of an individual or organisation. These are carbon emissions over which we have direct control and can actively reduce ourselves. We, as individuals, can reduce our personal carbon footprint by closely monitoring and moderating our use of energy intensive appliances such as light bulbs and electrical appliances.

Light Emitting Diodes (LED) bulbs are becoming increasingly popular with designers and consumers of green technology, as they use less electricity and last longer. With 25% of the average household’s energy bill attributed to lighting, it’s crucial to ensure that you’re getting value for money. An incandescent bulb, while cheap, will cost you up to ten times more than its purchase price in electricity over its lifetime. An LED bulb can offer you genuine savings, to both your pocket and the environment. With less power usage than halogen and fluorescent bulbs, your kW/hr consumption per year is reduced, bringing down CO2 emissions.

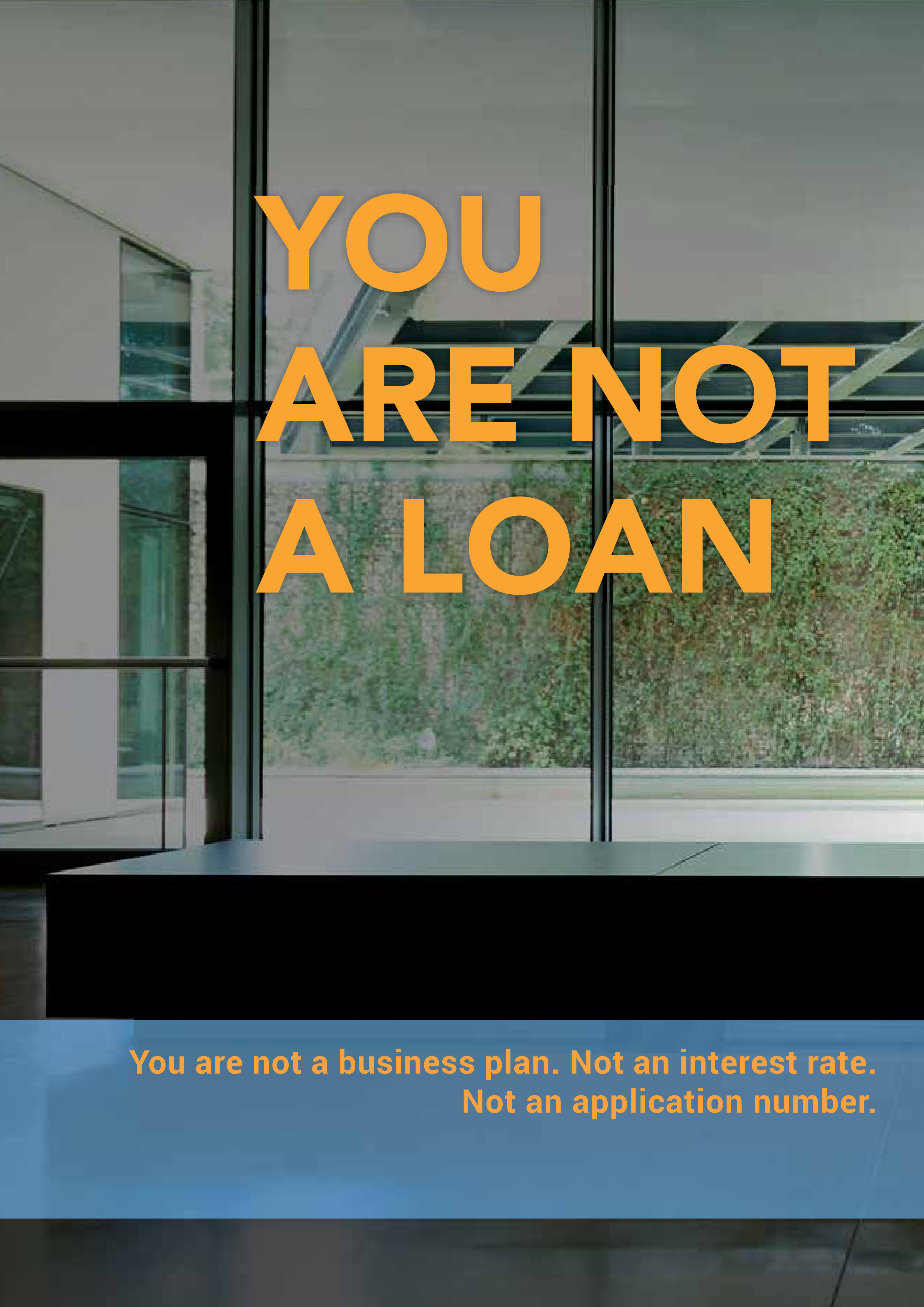
LEDs use less energy than traditional light sources and offer the most efficient lumen per watt measurement. They also give off significantly less heat than metal halide and halogens reducing the need for air conditioning. The lower temperature also means that they last significantly longer, meaning they needn’t be replaced as frequently as incandescent bulbs.

LEDs have a better quality of light distribution and focus light in one direction as opposed to other types of lighting which waste energy by emitting light in all directions, often illuminating areas where light isn’t required (such as the ceiling). This means that less LED lights are needed to achieve the same level of brightness given off by fluorescents and incandescent lights. Fewer lights will reduce energy consumption and will therefore be a benefit to the environment.

A longer life span means lower carbon emissions. LED Lights last up to six times longer than other types of lights, reducing the requirement for frequent replacements. This results in using fewer lights and hence fewer resources are needed for manufacturing processes, packaging materials and transportation.

It is estimated that almost half of the world’s carbon footprint is due electricity and up to 20% is a result of using incandescent lamps for lighting. Close to 830g of carbon are released in the consumption of 1KWh of electricity and therefore investing in LED solution in reducing the carbon footprint can generate good rewards as it will result in reduced environmental pollution, one of the major contributors to Green Productivity.

Therefore, It is important to try and be as eco-friendly as possible. We are provided with a variety of product alternatives that allow us to be greener in our day-to-day lives. Making the switch to LED light bulbs is an easy way to go green and also save money in the process. They are not just environmentally friendly during their use, but also during manufacturing, transport, and disposal.



YOU ARE NOT A LOAN

You are not a business plan. Not an interest rate. Not an application number.

Zambia needs Factories; Not Shopping Malls

By The Centre for Trade Policy and Development-CTPD

The Centre for Trade Policy and Development-CTPD has noted with concern the increasing number of Shopping malls dotted in many parts of this country. The capital, Lusaka alone, boasts of no less than seven major retail hubs-predominantly stocked with South African high-end products and services. We now have 3 large shopping malls within a few miles of each other, and another 3 along Kafue road. What Zambia has been experiencing can be termed as a shopping mall mania, with millions of dollars in foreign capital pouring into retail property developments instead of the establishment and growing of local industries indeed.

CTPD is of the considered view that this hyper-consumerism has the potential to derail Zambia from its current long term development trajectory.

We take cognizance of the fact that these massive infrastructural projects do create some level of employment for the Zambian people. For Example, the Lusaka Cosmopolitan shopping mall project was estimated to have created 1,000 temporary jobs and 500 permanent jobs after completion .

However, caution must be taken when look at the growing trend in the development of malls because the shopping mall mania poses a number of serious threats to the county's economic development and growth. The first is the import-heavy nature of retailing, Zambian shopping malls are anchored by large South African retailers stocking mostly South African products, and disproportionately populated by international fast food chains and boutique importers of luxury consumer goods. Importing such products creates a persistent drag on the country's balance of payments, foreign reserves and local investment. According to The United Nations Commodity Trade Statistics, Zambia's imports of animal and vegetable related products was approximately US$ 250 million in 2010. This a huge amount that could have otherwise gone to benefit the local farmers and manufacturers. The has the potential to affect the countries balance of payment which on the other hand can be strengthened by encouraging the production and sale of locally produced products.

The second problem with such retail-centered investment is the crowding-out of manufacturing investment. It is public knowledge that a good proportion of Zambia's shopping malls have been financed by pension funds such as the National Pensions and Scheme Authority-NAPSA. Within the last few years NAPSA has invested US $ 200 million in Levy Business Park, US $73 million in Alick Nkhata Mall and US $75 million in Kitwe Mall.

"There is need to consider balancing the portfolio of investments that the nation has in order to promote sustainable growth.

Pension funds have increasingly taken on such investments because of the high returns but this risks crowding out other more viable forms of investments which create long term sustainable job opportunities for the locals. Since Pension funds account for the largest portion of investment funds, their investment decisions have significant consequences for the economy. If this trend continues, there will be increasingly less investment in industrial and manufacturing projects. Zambia cannot develop without an improvement in its productive capacity. There are alternative areas that we can push more energies to among which in;cude s investing in setting up factories in the Multi Facility Economic Zones (MFEZ) which are a sleeping giant in terms of boosting Zambia's industrialization programs. The MFEZ model holds the key to Zambia's successful industrialization if well-funded, managed and implemented.

In conclusion, it is be important to note that the propensity towards consumerism is not a Zambian-problem only but African. Many scholars have noted that African's breed of urbanization is unique in that it is not accompanied by reduced poverty. According to the Brookings Institution, an American think-tank, the major problem is that Africa's urbanization has not been driven by increasing agricultural productivity or by industrialization. Instead, African cities are centers of consumption, where the rents extracted from natural resources are spent by the rich. This means that they have grown while failing to install the infrastructure that makes cities elsewhere work.

In light of this, CTPD makes the following recommendations. Firstly, there is need to increase the moderation of the type of commodities being imported by international retailers. Agricultural products which are grown locally should be promoted and added to the list of products on which the surtax applies. This move would support the local manufacturing industry. Secondly, there is need to consider balancing the portfolio of investments that the nation has in order to promote sustainable growth. Zambia should not only focus on the volumes of investments being attracted into the country but also on the type of such investment. While we are not against the beauty that the mushrooming malls are adding to the country, we are nonetheless concerned because what we need are industries and not shopping malls. Consumerism is not the way to go, Zambia needs to industrialize.

The Centre for Trade Policy and Development is a local economic think tank that works to promote the use of trade and investments as tools for poverty alleviation and economic transformation.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Zambia's Debt

The Dawn of Darkness

Every macro indicator on debt sustainability for the country has been breached. The country's debt, officially standing at USD15.94 billion as at end of June 2018 represents a debt to GDP ratio of 61% (based on 2017 GDP of USD 25.81).

By Trevor Hambayi

The Africa convergence criteria under COMESA member states stipulates that Debt-GDP ratio shall not exceed 40% (excluding grants). The standard for budget deficit is set at 3%, whilst Zambia has tethering with a budget deficit of between 7-9% in the last three years with current estimates just below 7%. Government applies the World Bank Debt Sustainability measure of Debt- GDP ratio of 56%, and basing this on the projected 2018 GDP of 4.2% would place the country's Debt to GDP ratio at 57.7%.

Eurobond Debt

Zambia's debt that consists of USD 9.37 billion in external debt, USD 5.18 billion in domestic debt and what is unconventional accounting and is being referred to as arrears of the kwacha equivalent of USD 1.39 billion. The debt crisis the country faces stems from the composition of its external debt, of which USD 3 billion is commercial debt, (Eurobonds) that will mature in three tranches 2022 (USD 750 million), 2024 (USD 1 billion) and 2027 (USD 1.25 billion). This represents the single largest challenge to the country's debt sustainability going into the next midterm up to 2021. The Eurobonds would require an annual sinking fund deposit of USD 300 million to cushion the risk of default until 2027, whilst the country continues to carry interest payments of around USD 300 million annually for the next four years reducing to USD 225 million in 2023 and 2024. In the last three-year period of 2025,2026 and 2027 of euro bond to maturity, the interest will gravitate around USD 125 million, 83 million and 42 million respectively.

Bilateral Debt

The balance of the external debt of USD 6.37 billion consists of both bilateral and multilateral debt and carries relatively low interest rates averaging around 2-3%. What is evident is that the country is currently making external debt servicing for this portion of the debt amounting to USD 285 million annually. The maturity period of these loans is also relatively longer extending up to 20-25 years. Key to our bilateral loans is the component of Chinese loans, estimated to be around USD 3 billion of the USD 6.37 billion debt. However, two key concerns with the Chinese debt is it's classification as it includes project funding, commercial private debt and export supplier credit and secondly the lack of transparency around the contraction and terms and conditions associated with the loans. This component of the debt is also unquantified are could be more than USD 6 billion based on the number of projects already being funded by Chinese money.

> **" The country's domestic debt, standing at the kwacha equivalent of USD 5.18 billion dollars represents the most expensive component of the debt portfolio..."**

Balloning Domestic Debt

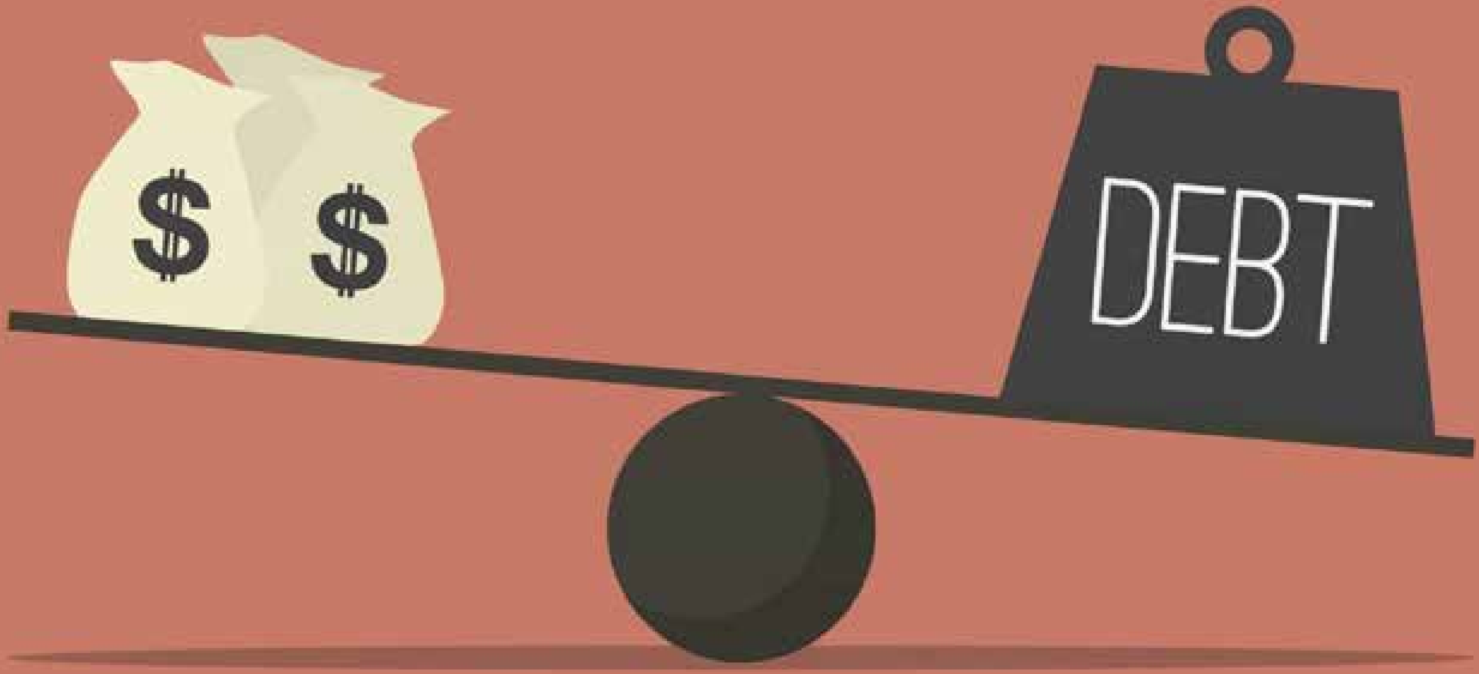
The country's domestic debt, standing at the kwacha equivalent of USD 5.18 billion dollars represents the most expensive component of the debt portfolio as interest charges are between 16-19% representing an annual liability on interest alone averaging just over USD 920 million. The amount however could be less depending on the maturity of the domestic bonds and treasury bills.

Arrears

Arrears represents the amount that remains unpaid for provision of services, goods both in expendable and capital expenses, essentially supplier credit, which has also contributed to the high levels of non-performing loans with commercial financial institutions. The current industry NPL level is 12.7% versus a 10% prudential limit attributed to domestic arrears. The burden of the interest charge on this debt is being carried by the suppliers or contractors of the services and goods so provided to government. However, in order to dismantle this debt, even over a five-year period government will have to liquidate it at an average rate of the kwacha equivalent of USD 278 million annually. This component of obligation is the greatest threat to macroeconomic growth.

The Dead Solutions

The country is proposing and considering two options to deal with the impeding debt crisis. Firstly, the state endeavours to set up a "sinking fund" to act as a buffer for repayment of the bonds at maturity. This is as narrow a solution as government could put together. A sinking fund set up now will require a minimum of USD 375 million annually just to cover the principle on the Eurobonds. Government has indicated that they have deposited an initial USD 20 million which on the face of it is doomed to be a failure from two angles. Firstly, in that we will never be able to build adequate wealth fund reserves and secondly there is no guarantee the deposited funds will still be available in the account in the absence of the legal framework to secure the funds. The initial sinking fund was declared and was supposed to be operational in 2015, for which USD 50 million had be implied to have been put aside for this purpose. De'javu, we have come a full circle.



The second option revolves around the government refinancing the Eurobonds. Re-financing the Eurobonds carries with it two very clear implications. The first being irrespective of how you structure the refinancing, be it through a bilateral partner with concessional rates, a bond buy-back or re-issuance of the bond for longer maturity period it ultimately is a more expensive option. Suffice to say, the loan period will not only be extended but also increase the debt position. This option will not address the risk of default but merely postpones the burden.

The third lesser more evident solution has been the self-imposed austerity measures that included the suspension of all subsidies on fuel and electricity on the general masses whilst the country's executive wings gave up their fuel, airtime and business class travel privileges. Further to this, government is to have suspended all capital projects that have not commenced, focused on completing those that were at least 80% complete. This has been a fallacy as on the contrary new capital projects are being announced on a regular basis.

All the options fail to outline a defined repayment structure, the quantum of debt reduction or indeed a time line as to when we intend to achieve any form of debt reduction.

IMF Begging Bowl

The country in the last two years has trooped in and out of Washington seeking a USD1.3 billion IMF bail-out package without success. The failure of this venture is basic and premised on two cardinal issues. The first has been the rate at which our debt has been growing, without regard to all the debt risk indicators and over looking the many warnings from both the world bank and a horde of local economists and organizations as to the unsustainability of the debt. The second aspect has been accountability, the country has failed to account for how USD2.2. billion of the Eurobonds was expended. The assumption that this was spent as part of the budget holds no credibility as the funds were meant to support infrastructure development and its accountability would have been absolute. All the debt sustainability macro indicators have been breached, the decision of the IMF has been easy to take.

" The country has already hit the USD 585 million in annual debt service and this figure will rise with the coming online of the Chinese loans that had 4-5-year moratorium..."

The Reality

Zambia will require to maintain a debt service regime of at least USD 2.26 billion annually for the next twenty years to be anywhere near liquidating the country's current indebtness. This represent close to 32.4% of our total annual budget. The country has already hit the USD 585 million in annual debt service and this figure will rise with the coming online of the Chinese loans that had 4-5-year moratorium (grace periods). The country's foreign exchange earnings, 70% of which are still generated by the mines, who earn north of USD 5 billion, only contribute 6% (USD 300 million) to the country's treasury in taxes and royalties. It is thus, the true burden of debt servicing is being carried by ordinarily Zambian with income that is not generated from the country's mineral wealth.

The synopsis of how the country's debt has escalated from USD 1.2 billion in 2008 after the HIPC debt forgiveness to USD 16 billion in 10 years is obvious to the naked eye. The under-current to this debt accumulation has been the evident lack of accountability, abuse of office bordering on corruption, over payment of shoddy contracts but more detrimental has the obvious lack of national interest by government officials to safe guard national resources in pursuit of greedy and personal gains.

The litmus test to measure government's commitment to tackling our debt crisis will reflect in the upcoming budget for 2019 to see to what extent the budget will bear reductions in expenditure.

In as much as viable solutions to the debt crisis and the country's economic growth may be proposed, it will remain an academic exercise until we get past decision makers that are bent on abusing the country's 16 million Zambians for personal gains

Author: Trevor Hambayi, Msc
Financial Analyst
PhD Research Fellow

The KAIZEN Way

Continuous Improvement Made Practical

By Kaizen Institute of Zambia

Kaizen, the Japanese equivalent for "continuous improvement" involves all type of activities that contribute to the continuous improvement of the organization by effective system design and implementation. Kaizen is also viewed as a philosophy and methodology for promoting quality and productivity improvement. Its basic philosophy is that in all that we do, **"what I do today must be done better than what I did yesterday and what will be done tomorrow must be better that has been done today"** Kaizen, is a proven performance improvement tool adopted from modern Japanese organisations like Toyota. It is a philosophy and methodology for promoting quality and productivity improvement. It is an effective tool for organisations to achieve continuous improvement in production and service delivery and in engendering a culture of continuous improvement. It uses personal creativity and ingenuity to identify solve problems affecting ability of organisations to compete and create prosperity for society.

The methodology comprises tools and systems that has made Continuous Improvement Practical. Tools include 5S (Sort, Systemise, Shine, Standardise, Self-discipline), QC 7 Tools, 7 MUDA (Waste) Elimination, Total Productivity Management (TPM), Preventive Maintenance (PM), Statistical Quality Control (SQC), Cost Analysis, Suggestion System, Plan-Do-Check and Act (PDCA), Visual Management, Security & Safety Control. The system include Total Quality Management (TQM), Standardisation (ISO9001), and Quality Control Circles (QCC). A QC Circle is small groups consisting of people from the same workplace that operate quality control activities autonomously. These small groups promote self-and mutual-development as a part of Total Quality Control activities, utilizing quality control tools and methods for management of the workplace and improvement continuously, with total participation. QC Circle activities aim to bring out and develop members' potential capabilities. By using PDCA Cycle, continuation is sustained. PDCA is part of the QC Story.

By employing Kaizen philosophy and methodology focuses on developing the enterprise and People. Through this organizations are developed, the quality of products and services improves and people working there become active and vitalised though QC Circle activities. The overriding KPI for KAIZEN activities is QCDSS which is improvements in Quality, Cost, Delivery, Safety and Security.

KAIZEN focuses on:
Process – systems, the flow of information and work through the workplace etc.
Place – how the physical working environment is organised.
People – how people are engaged in work and improvement.
Product – the design and quality of the product or service.

Making improvements, monitoring results and sustain or change based on situation and condition is part of the Kaizen concept. Continuous improvement of Kaizen includes everyone in the organizations from top management to shop floor worker and it is dependent on common sense approach with little to no expenses. Organizations that follow the Kaizen principle never see a process as status quo. There is always something to improve and the continuous efforts often result in small, imperceptible, changes over time. It differs from the 'command and control' business model in which the management gave order while the workers carry them out. In Kaizen, the approach is bottom-up and top-down. Meaning, workers can give ideas and management can also consider their ideas to be carried out.

In the practice of Kaizen, the actual work place, known as Gemba is very important. The word Gemba often accompanied Kaizen due to its importance on the concept. This is the place in which improvement should be made first. The actual place in Gemba is the place where the customer receives products or services and is the focus is on **See first, See how**

Simply put, Muda is anything that adds no value to the current processes or activities. If the task can be simplified in any way, then it should be. Eliminating Muda will help in optimizing efficiency and minimizing the time taken to complete a certain task. As has been mentioned earlier, Mura and Muri always accompanied Muda. To be able to fish out Mura and Muri, the cause-and-effect chain needs to be established.

Kaizen makes the identification of opportunities to improve a daily habit for everyone in the team. It is a holistic approach of eliminating wasteful practices in the workplace by encouraging workers to contribute ideas for improvement. It also contributes to the increase in workplace satisfaction, productivity and improvement since workers see their ideas being carried out through Kaizen.

Overall, Kaizen can be summarized into three steps. See the problem at Gemba, solve the problem by eliminating Muda and sustain the changes by establishing standards. The application of Kaizen in an organization should not be forced as an act but be moulded into a habit for an act can be easily discarded but a habit dies hard.

KAIZEN has now been embraced in Zambia as a National Programme and is being spearheaded by the KAIZEN Institute of Zambia Limited.

Can your company answer YES to most of these questions?

- We always deliver our service on time every time.
- Our quality is right first time every time.
- Customer feedback is excellent.
- Time is never wasted trying to find things.
- Staff are making suggestions for improvement.
- Everyone in the organisation are clear about their role.
- My operational costs are reducing.
- Our offices and work areas are well organised.

If the answer is NO then you need to implement Kaizen methodologies as a way of turning the answers to YES. Kaizen, as presented above, is an established set of methodologies that will bring improvements to your business. Kaizen methodologies are now standard practice in the developed world in both private and public sectors.

If interested please contact

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Transformation is at the Heart of What We Do. We Urge Our Customers to Change the Way they Think by Reviewing Every Action They Do...by asking WHY, WHY, WHY and Adopt KAIZEN Culture, Reduce Wastage and Adopt PDCA.

Effects of Imposing Resale Price Maintenance Agreements

By Mwansa Mwila

In this article, we will consider legality of imposing resale price maintenance agreements in Zambia by manufacturers of different products and the effects that these agreements have on competition and on consumer welfare.

In a resale price maintenance agreement, a manufacturer and a downstream re-seller agree by means of a contract to set the price of the product that the re-seller will sell to its customers. The price can either be set as a minimum price, maximum price or a fixed price. Whatever the case, the manufacturer specifies the price of the product and takes certain actions to enforce the specified price.

Usually, these agreements are made by a dominant manufacturer who supplies a significant amount of a particular product on the market and chooses to impose it on the re-seller. In most cases, when the re-seller does not comply with the specified price, the manufacturer will withhold or refuse to supply goods to that particular re-seller.

Resale price maintenance is a violation of competition provisions of the Competition and Consumer Protection Act, No. 24 of 2010 (the Act) and is prohibited per se. This means that resale price maintenance agreements are out-rightly prohibited and the Competition and Consumer Protection Commission (the Commission) need not inquire into the actual effects of the agreement on the market or the intentions of the parties to the agreement.

While seeking to promote and maintain competition in all segments of the economy under the Act, the Commission is required to investigate and prohibit all agreements that distort competition and result in loss of consumer welfare. The imposition of resale price maintenance agreements is prohibited because such agreements distort price competition at the retail level and have the potential to facilitate cartelistic behaviour by assisting the cartel in identifying price cutting manufacturers who benefit from the lower prices they offer.

When manufacturers impose a resale price maintenance agreement, intra-brand competition, that is, the competition among re-sellers selling the same brand at the retail level, is distorted. This is because re-sellers cannot sell that product at a price other than the agreed price otherwise sanctions will be imposed on that re-seller as stated in the resale price maintenance agreement. The distortion of prices at the re-seller level means that consumers will lose out on the benefits that are realised from price competition such as lower prices and discounts.

It is important that manufacturers that intend to recommend resale prices to their re-sellers apply to the Commission for authorisation of such an agreement to determine whether or not the agreement is within the confines of the Act.

A group of re-sellers can use resale price agreements to set retail prices to benefit themselves to the detriment of consumers by colluding to fix prices and forcing one or more manufactures to aid that conspiracy with resale price maintenance agreements. Since it is the manufacturer who appears to be setting retail prices, this kind of collusion diverts attention from the collective price setting by the retailers. Therefore, consumers are exploited through higher prices because re-sellers with efficient distribution networks or lower cost structures cannot pass on the benefits in form of lower prices or discounts. Despite the fact that the Act prohibits vertical agreements involving resale price maintenance, it allows manufacturers to recommend minimum re-sale prices as guidance for re-sellers subject to meeting certain conditions. In this case, the manufacturer has to make it clear to the re-seller that the recommended price is not binding; and that the product must have a price stated on it and the words "recommended price" appear next to the stated price.

Therefore, a re-seller is free to set the retail price of the product it sells and the law provides that a re-seller can set the price at the recommended retail price or at a different price, provided the re-seller arrives at that decision without any influence or coercion from the manufacturer.

It is important that manufacturers that intend to recommend resale prices to their re-sellers apply to the Commission for authorisation of such an agreement to determine whether or not the agreement is within the confines of the Act. The Commission will then assess whether or not such agreements have an effect on competition or result in loss of consumer welfare. In the event that the agreement does not distort competition or harm consumers, the Commission may grant authorisation and review it after a period of time.

It should be added that the Commission does not just aim at promoting competition at the same level of the market such as at the manufacturing level or at the retail level, but at each level of the vertical chain. The promotion of competition at each level of the vertical chain ensures that there is efficiency in the operation of markets resulting into enhanced consumer welfare through lower prices and wider choices.

The author is a Research Analyst at the Competition and Consumer Protection Commission

Children International equips youths with industry-relevant skills

The Challenge

Over the past decade, a combination of relatively rapid population growth and a slow decline in the fertility rate has produced an increasingly youthful population in Zambia. The Zambian labour market is likewise young, and set to remain so for some time. As an economy that seemingly faces a youth-biased labour supply trajectory, Zambia faces a unique set of challenges and opportunities in formulating growth and development policy. One of these challenges is to ensure that the rapidly growing pool of new job seekers entering the Zambian labour market is able to find decent work.

Meanwhile, existing low levels of human capital development represent an urgent socioeconomic challenge. This is evidenced by the increased scarcity of skilled workers, and youths' limited access to higher and tertiary education. In addition, the absence of appropriate and effective linkages across the various participants of the labour market has resulted in the mismatch between the supply of skills and the current labour demand profile. This is a scenario which industry has, with good intentions and on more than one occasion, expressed concern about the inadequate or lack of skilled labour. In November 2017, Children International – Zambia carried out a survey which helped determine what the skills gaps in a study names Employability and Entrepreneurship Potential Assessment (EEPA).

> **The Into Employment program seeks to link the skills and interests of CI sponsored youth with the demand of industries for workers with these sorts of skills and interests.**

The Initiative

Children International (CI) is a global nonprofit humanitarian and child sponsorship organization that helps children break the cycle of poverty. The organisation wants its children to graduate from the sponsorship healthy, educated, empowered and employed. Why these four? Because they are all interconnected and essential to achieving the bigger goal: ***helping to break the cycle of poverty***. Through a program named Into Employment, the organisation is dedicated to ensuring its sponsored youths are not just education but employed and eventually out of

Fidelis Mulenga learning about Water operations at Lusaka Business and Technical College.

poverty. The Into Employment program, launched in 2017, avails underprivileged youth opportunities to obtain technical training and acquire skills relevant to the labor market. The technical training is informed by industry to ensure relevant skills and courses are offered and that these skills are taught to the extent that they are needed for the current and future opportunities.

Crucial personal competencies are further incorporated in the program to allow youths to enter and prosper in either work or business. Confidence, presentation, networking and initiative are other skills of focus as these are essential to the youth's success in the world of work. Youths also acquire such vital attributes as work ethic and reliability through the life skills training, which accompanies the technical skills. Furthermore, the program establishes relationships with local industries in order to place participants into the labor force. For youth with entrepreneurial skills and initiative, the program provides assistance in incubating small business ventures.

The Into Employment is a flexible strategy that adapts to local conditions and is driven by demands of the market. The Into Employment program seeks to link the skills and interests of CI sponsored youth with the demand of industries for workers with these sorts of skills and interests. Based on findings from the EEPA survey of 2017, CI partnered with Lusaka Business and Technical College where 40 sponsored youths are pursuing hospitality, electrical engineering, and automotive mechanics. In addition the organisation has offered post-secondary scholarships to over 400 youths in various colleges and universities countrywide. The organisation offers job readiness and career readiness training to these scholars while still in training.

A Step by Step Guide to the Commercialization of Local Manufacturing Innovations

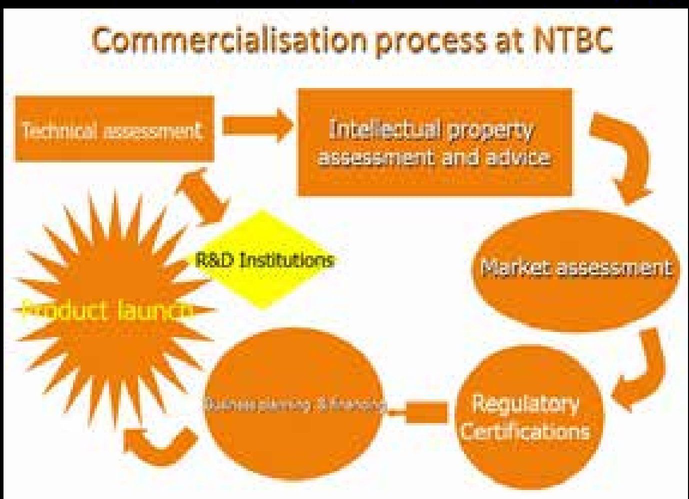
By National Technology Business Centre (NTBC)

The Zambian government encourages the transformation of raw materials into finished products in a bid to promote the Zambian manufacturing sector and "Proudly local or proudly Zambian" brand. It is imperative that all key players of the economy identify themselves in the transformation process of these widely sought after resources. To this end, the need for an environment that encourages incentives and expedites the dissemination of discoveries, creations and knowledge cannot be overlooked.

Through the Ministry of Higher education, the government established the National Technology Business Centre (NTBC) to spearhead the Commercialisation of innovations and facilitation of Technology Transfer. These two key functions help in promoting the development of a more efficient, and modern manufacturing sector for locally produced goods.

By definition, an Innovation is a new or improved service, product, process or formulation. In the same vain, Technology can be defined as a product, service, process, know how or Formulation. It encompasses everything pertaining to the transformation of inputs into outputs. Commercialisation basically looks at the commercial exploitation of knowledge with greater emphasis on its proprietary nature. This makes the new developments or advancements more attractive to industry and adds some commercial value to existing products and processes.

The illustration below highlights a model of the commercialization process of innovations and technologies at NTBC:



1. Idea generation
Usually ideas for innovations and technologies have been found to emanate from existing challenges experienced by individuals, communities and manufacturers or producers of goods and services. Once someone has an idea of a possible solution, it is important to clarify what the product is, what it will do or its application. In order to verify the viability of the idea, one has to proceed with the proof of concept of the idea by conducting research.

2. Research
Normally is considered as the first step, one gets to explore the idea further by conducting research. This involves literature review in a bid to clearly define and understand the idea. The review of related literature would assist in understanding what has been done about their idea, innovation or technology, tried and/ or tested, what would be involved in actualizing it/ developing a prototype, existence of the same or similar product, innovation or technology, quantify the required materials, equipment, size etc. In the commercialization process, research provides the researcher with a unique opportunity to gain insight into the commercial process, thus improving the understanding of the workings of the commercial world. It is also gratifying to finally see an idea translate into a product. Majority of the key players at this stage are Research and Development institutions. However, individuals are also known to be players at a different level and scale. The end result of research should be a new invention, discovery or know-how. Following the discovery you will make an initial opportunity/market assessment based on potential applications for your invention/ discovery. Publication of your research findings becomes cardinal in protecting your Intellectual Property. This can be done by the relevant authorities such as the Patents and Companies Registration Agency (PACRA). At NTBC, a project inquiry form is given for one to complete by way of defining among others, what the innovation is, what it does/ problem being solved, who it is meant for, how it is to be used, stage of development, who the inventor is.

3. Proof of concept
This stage basically involves proving the claims in the research findings. In this case the researcher, technology developer or Innovator's product is tested. Focus is largely on the product, innovation or technology. The innovation or technology is also assessed for Intellectual Property value so as to immediately seek the best IP strategy. NTBC facilitates this protection through its Technology Transfer Services. Note that during the proof of concept, recommendations may also be made to improve the prototype.
To assess the commercial potential of the invention, the Centre conducts its own due diligence and proceeds with provisional IP protection to safeguard the value of the invention under strict nondisclosure terms.

4. Prototype development
Once the innovator or technology developer is satisfied with the innovation or technology parameters, a prototype is then developed. A prototype is simply defined as a sample or model. At this stage, costs of production could be high in terms of resource utilisation but can be significantly reduced with adequate research. The Centre normally subjects prototypes to real time test conditions in order to ensure innovations and technologies mitigate challenges they were meant to address. This is done at the initial Technical Assessment. The Centre may also use a prototype to conduct some Market Assessments in order to gage the target market's response on functionality, packaging, acceptability, accessibility, taste, convenience and so on. Upon the Centre's satisfaction and the product has been deemed market ready, further market penetration efforts are made through the use of different strategies tailored to specific products.

5. Validation, Regulatory and Business Development
When the above stage has been satisfied, regulation requirements must be double checked to ensure compliance. Validation is then done by endorsement and recommendation for an appropriate commercialization route or path which is normally expected to lead to Business Development. Available commercialization routes include University led; Inventor led and through Commercialisation support programmes. Note that all these three routes can also lead to licensing options.

It is important to note that the Commercialisation steps above may depend on the product, innovation or technology being commercialized. Some activities in the steps may be skipped while others may require more attention. At the end of the day, new products, technologies or innovations will require good branding, packaging and extensive marketing in order to survive in the competitive market they are introduced into.

JEWEL OF AFRICA

Jewel of Africa is a jewellery manufacturing company that is family owned and has been in operation since 1993. From the mine to the end product, the company offers specialized services onsite such as custom jewellery design, certification, engraving and repair.

The company's headquarters, located a stone's throw from the Lusaka Golf Club, houses the Jewel of Africa flagship showroom and manufacturing workshop. Its close proximity to the State House and European Union allows tourists, diplomats and locals, a window into the luxury world of Zambia's wealth by designing precious gems and metals.

The Jewellery Manufacture Workshop is a front row seat into the world of the gemstone industry in Zambia where you witness firsthand the transformative stages of the freshly mined rough stones to the exclusive and unique bespoke pieces that the seasoned jewelers and goldsmiths create.

Often considered exclusive, the jewellery which is created at Jewel of Africa is most renowned for its high standards of quality. The company remains unparalleled in terms of customer service and delivers 'home grown' gemstones with high regard to provenance and ethical practice.

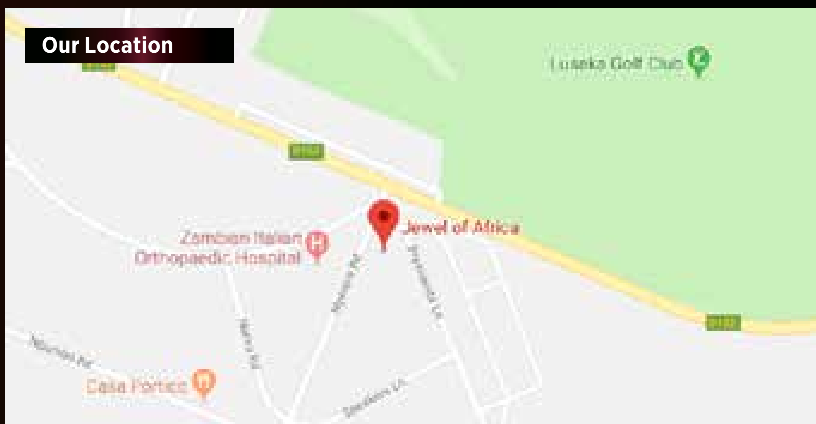
Jewel of Africa Designers and Gemologists personally hand select the perfect Zambian emeralds, tourmalines, amethysts, garnets and so many more for its valued customers.

Our country offers the finest quality of emerald ranking in the top 3 of precious gemstones with diamond and ruby. In fact, Zambian emerald is considered the perfect investment as its value keeps steadily growing.

For premium bridal and fashionable jewelry, quality watches and trendy gift ideas, visit one of their six stores in Zambia and experience a glimpse at the beautiful and luxurious Africa.

Sharma Family

JOA Jeweller



Our Location

Contact Us
No. 8 Nyerere Road , Long Acres, Lusaka.
+260967750777 / +260211250005
admin@jewelofafrica.com
www.jewelofafrica.com

List of shops:
Manda Hill, EastPark, Levy Malls – Lusaka and Livingstone airports

JEWEL OF AFRICA

GEMSTONE LOCALITIES

Emerald | Garnet | Aquamarine | Tanzanite | Tourmalinline | Amethyst | Diamond | Citrine

From Lusaka to Cairo: ZAM SME Trained in Business Management Systems

By Mr. Kalaba Malikebo (SignQuip (Z) Ltd)

SignQuip Ltd is an SME involved in the metal fabrication and the manufacture of trailers. With a staff compliment of Ten (10), our small scale manufacturing firm was ecstatic to receive an opportunity to attend a Business Management Training sponsored by Japan International Cooperation Agency (JICA) in conjunction with the Egyptian Agency for Partnership Development in Cairo, Egypt. From April 15th – May 3rd 2018 on invitation through the Zambia Association of Manufacturers (ZAM).

The training was facilitated by Foreign Trade Training Centre and aimed to equip Small and Medium Scale Enterprises (SMEs) with knowledge on how they can better run their organizations and compete favorably on the global market. The program was initiated by the International Trade Center an agency of the United Nations. Over the course of the training, it became apparent that the SME bracket has tremendous capability to contribute to the economic development of the nation. Notably, one of the long-term objectives of the training was to lessen the dependency of less developed countries on aid by equipping regional SMEs with modern day business management skills to enhance their competitiveness.

In this regard, the training drew the participation of participants from the following countries; The Democratic Republic of Congo, Djibouti, Ethiopia, Kenya, Madagascar, Malawi, Sudan and Zambia.

The training featured the following modules;

Week	Content	Benefits
1	Business Management Tools	This focused on the main parts of business management which are Production and Marketing. It also helps with business strategy and execution.
2	Market sourcing and access tools.	This helps with research and having credible information of the market where your product is needed.
3	Kaizen and Quality Control Circles.	This focuses on continuous improvement of business systems as well as a problem solving mechanisms.

We thank ZAM and JICA for the opportunity to participate in this training and will apply the concepts diligently in our business to ensure continuous improvement and the organic growth of the company.

ZAM takes the Copperbelt

Zambia Association of Manufacturers (ZAM) is a business association which represents the interests of the entire manufacturing sector and other related economic and/or production sectors in Zambia.

The Vision of ZAM is "To be the Association that will provide a forum for Manufacturers to network and dialogue with Government and other stakeholders in creating an enabling conducive business environment." While the mission is "To facilitate and promote the growth of an efficient and modern Manufacturing sector in Zambia"

ZAM's membership comprises a broad range of manufacturers from over 18 manufacturing sub-sectors. The leadership of the organization is anchored in the ZAM Executive which comprises of; The President, Vice-President (Northern and Southern Region), Sector Representatives and the Management Team which is the ZAM Secretariat.

ZAM takes pride in offering professional representation and effective policy advocacy to Government authorities on issues affecting business as well as timely, relevant information, programmes and support of superior quality and value. ZAM provides an array of opportunities for networking, learning and professional growth. Further, ZAM is a key reference point for advisory services that facilitate key business decisions for industry. In a bid to reach out to and serve our clients better, ZAM is in the process of refurnishing the Copperbelt offices in Kitwe. Once complete and officially open, the office located at Plot 5408 Natwange Road, Heavy Industrial Area in Kitwe - Zambia, will facilitate monthly interactive meetings with members. These meeting will give members a platform to share their concerns and ideas regarding the manufacturing and other related sectors.

Motivated members are key to the continued existence and relevance of the association.

The ZAM Kitwe office will, therefore, undertake membership development programmes in order to increase recruitment of members while also facilitating the increase of capacity of members do deliver quality goods and services. The office will explore innovative ways of engaging with members in order to promote knowledge exchange, networking and promote company products and services through ZAM publications.

"ZAM will, therefore, endeavour to strengthen relations and collaborations with the mining companies so as to increase support to local manufacturing companies..."

Through engagement with members, ZAM will conduct member needs assessment. This will allow the association to implement programs of work designed to meet these needs.

The association will seek to retain all current members including those that may not be active. This will be done through consistently orienting members to the activities of the association, maintain an up to date database of all members, conducting regular visits to current and prospective members while also efficiently responding to member queries.

ZAM will seek to build the confidence of members and stakeholders in the work of the association through regular liaison with potential member organizations, and member organizations in order to develop trust and promote networking among stakeholders.

Copperbelt Province is a province in Zambia which covers the mineral-rich Copperbelt, and farming and bush areas to the south. It is the home of several major mines that have provided opportunities to Zambian companies for the supply of goods and services required in mining operations. 80% of all manufacturing activities of the Copperbelt is related to mining operations and provides employment to over 69,000 people. It is, therefore imperative that a robust manufacturing sector exists to support mining and other economic activities of the Copperbelt. ZAM will, therefore, endeavour to strengthen relations and collaborations with the mining companies so as to increase support to local manufacturing companies. ZAM will engage mining companies in a bid to increase the levels of satisfaction with the services provided by local manufacturers.

It is envisaged that through the efforts of ZAM working government and other stakeholder, the goal "To attain 20% contribution to GDP by 2030 in line with the National 2030 vision" will be attained.

USING "ENERGY EFFICIENCY AND TIME-OF-USE" (TOU) TARIFF EFFECTIVELY BY INDUSTRIAL AND AGRICULTURAL CUSTOMERS

Energy Efficiency

In order to incentivize industrial and agricultural electricity consumers to reduce consumption and demand, ZESCO Demand Side Management (DSM) has been and still is carrying out FREE energy audits to signpost to consumers' energy management opportunities (EMOs). Once consumers implement these EMOs, the results will be reduced electricity bills and increased profitability by our customers. However, these efforts have not been able to offset the rising energy demand as many consumers are not implementing the sign posted EMOs.

The EMOs are meant to help our customers use power effectively and efficiently, reduce power losses and maximise their profits. For ZESCO such undertakings stabilises the electricity network, reduce undesired demand emanating from non-effective use of electricity, thus coercing the utility to embark on load shedding which has severe impact on production levels in all sectors of the economy.

The EMOs are meant to help our customers use power effectively and efficiently, reduce power losses and maximise their profits.

Between 1st May and 1st September, 2017 ZESCO effected a tariff raise of 50% and 25% respectively across all tariff category following a successful tariff review application to the Energy Regulation Board (ERB). One of them was the Time of Use Tariff (TOU).

Time of Use Tariff

Through Time-of-Use (TOU) tariff, the ZESCO revised tariff regime incentivizes customers in Industrial and Agricultural Maximum Demand (MD) category to lower peak loads in order for them to reduce their electricity bills. ZESCO's objective is to flatten peak loads and/or shift loads from peak to off-peak periods.

To that effect, ZESCO, after a successful application to the regulator was granted authority to apply the TOU tariff across all industrial and agriculture customers in the MD category.

Time-of-Use is one of the dynamic tariffs designed with prices that vary by time periods lowering system costs for utilities and bring down customer bills by raising prices during peak period hours and lowering them during off peak hours. Our TOU time periods are as follows:

06:00 hours to 18:00 hours - Standard Time
18:00 hours to 22:00 hours - Peak Time
22:00 hours to 06:00 hours - Off-Peak Time

With the approved TOU; Industrial and Agricultural customers who shift production hours from standard to off peak periods will enjoy lower prices up to 50% reduction in demand charges and 25% reduction in energy charges in electricity bills. Shifting from peak periods to off-peak period gives even much more savings. The intervention gives industrial and agricultural customers incentives during the off-peak period.

The advantages of the TOU tariff are:

- Efficient utilization of the generation resources as it tries to flatten the load curve.
- Minimized load shedding activities when some big consumers shift their production activities to the off-peak period
- Reduced bills through incentives to the customers who shift most of their activities to the off-peak period

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ZESCO
Powering the Nation & the Region

Moving to cost reflective tariffs

implications and alternatives for Zambian manufacturers

Introduction
A cost reflective tariff is one which reflects the true cost of supplying electricity and removes the reliance on subsidies to cover the variance between the current tariff and the true cost of supply of electricity. The Government (through the regulator – The Energy Regulation Board) sets the prices and ZESCO is required to implement and communicate them. ZESCO customers have for a long time paid a tariff that is much lower than the actual cost of generating, transmitting, distributing and retailing electricity and consequently the loss has either been subsidized by Government or borne by the company.

Measures ZESCO is Putting in Place to Move to Cost Reflective Tariffs
In Line with the Energy Regulation Board tariff guidelines, ZESCO made an application in April 2017, to move tariffs towards cost reflectivity in an effort to meet the rising costs of power supply. This application was approved in May 2017 and was to be implemented in two phases, a 50% increase in May 2017 and an additional 25% in September 2017. However, the tariff increment did not imply the true economic cost of power supply. ZESCO has also migrated the mining tariffs significantly in 2017, though we are yet to reach cost reflective levels.

In order to determine the cost of generating, transmitting, distributing and supplying power to its various customers, the ERB has appointed an independent Consultant to conduct a Cost of Service Study (CoSS). This is being done in a transparent manner with representation from all the major stakeholders. This will create buy in and acceptability from the key stakeholders and hopefully allow for a smooth implementation process. The objectives of the CoSS are threefold:

Firstly, to set electricity tariffs to promote economic efficiency of production and consumption and ensure financial viability of the electricity sector, while taking into account social and equity considerations;

Secondly to review the current ERB model used for tariff determination and develop a new in-house model for use by ERB during future regulatory review of tariff proposals and tariff determination; and

Thirdly, to provide a basis of strategy formulation for the gradual transition from existing financial-cost based tariffs to economic cost -based tariffs, setting of targeted life-line tariffs and associated support mechanism while at the same time maintaining the household consumer category level economic-cost based tariff.

It must be noted that the electricity sector has evolved significantly with the entry of new players, such as Independent Power Producers (IPPs), who have invested in power generation with production prices that are far above the existing ZESCO retail tariffs. This has significantly changed the landscape where as we had relied on cheap hydro power with fully depreciated assets, we now have new more expensive power from private generators who have high financing costs and high return on investment expectations. Furthermore, in order to evacuate the power to the various load centers countrywide, significant new investments have been made to reinforce and expand the transmission and distribution infrastructure. As a result, the cost of generating and transporting electricity has risen significantly.

Implications to ZESCO (Utility)
Numerous field experiments from countries such as Namibia that have attained cost reflectivity suggests that pricing electricity dynamically could yield a range of payoffs, including substantial improvements in network efficiency leading to better quality of service delivery, reduced infrastructure costs, and lower average market prices for their respective utilities. Cost reflective tariffs therefore enable utilities to raise adequate capital to expand generation and transmission networks and provide the right signals for private investment in the sector. Further, it promotes economic efficiency as consumers make better consumption decisions when the true cost of power supply is reflected. This enables the utility to make informed investment decisions as it gives better signals in deciding when demand management is more appropriate than network investment. Electricity tariffs that are lower than the cost of service only benefit those with existing electricity connections in the short-term while compromising on the quality and reliability of supply in the long-term. These are the challenges that are currently being faced by ZESCO.

An electricity sector which is self-financing, economically viable and sustainable, would enable the Government utilize the money spent on subsidies in the sector on other competing sectors in the economy such as education and health care.

Implications to the Zambian Manufacturing Sector
Admittedly, moving tariffs to cost reflectivity will affect the cost of doing business in the short run. However, it is important for the sector to realize the benefits that cost reflectivity will bring to the industrial sector in the future such as better quality of supply; better reliability and availability of supply; minimal down time; better customer services from the utility; a diversified energy mix which will result in a higher security of supply and reduce possibility of load shedding in the event of a drought.

However, the manufacturers must also begin innovating in order to become more competitive as they cannot forever rely on cheap electricity. They need to invest in energy efficiency systems and in areas where they have a clear competitive advantage.
How Manufacturers Can Adapt to the Changes in the Cost of Energy
ZESCO will adopt a multi-year tariff framework to migrate tariffs to cost reflectivity. This will create more predictability with regard to tariff migration and help the industry in planning ahead in terms of costs. It will also be necessary for manufacturers to adopt demand side management and energy efficiency initiatives in order to minimize energy wastage and reduce their energy costs. In order to make businesses become energy efficient, ZESCO and the ERB have introduced initiatives and regulation that are intended to reduce the cost of power. In 2009, a Time of Use (TOU) tariff was introduced for Maximum Demand customers, with incentives on maximum demand (KVA) and energy (kWh) for shifting consumption from Peak to Off-peak periods. In 2017, the ERB approved the TOU tariff structure for industrial customers in maximum demand categories MD1 to MD4. A saving of up to 25% could be attained by shifting more production to off-peak periods.

ZESCO has also for a long time carried out free energy audits for industrial and commercial customers, an integrated approach looking at all elements of energy usage at a plant in order to identify areas for possible energy saving. Power Factor Correction has been widely applied to improve the stability and efficiency of the network. Customers are advised to install reactive power compensation equipment to improve their Power Factor so as to reduce their energy costs.

Further, businesses are encouraged to switch to energy efficient lighting such as Compact Fluorescent Lighting (CFL) bulbs. The above measures if implemented correctly could reduce the cost of power for a business by as much as 40%. ZESCO in partnership with the World Bank has contributed to energy saving measures by distributing over 3,000, 000 CFL bulbs countrywide in the past four years. This has seen a saving in energy consumption on the network of over 100MW. Lastly, ZESCO is committed to improving the lives of our people through the sustainable generation, transmission, distribution and supply of quality and affordable electricity in Zambia. We encourage the manufacturers to engage ZESCO on electricity matters that affect their business. The growth of ZESCO and the nation at large depends on a vibrant economy anchored by an active industrial sector.

Growing your business with SAP Business One

By Seidor Zambia

The manufacturing revolution

The Fourth Industrial Revolution (4IR) began as an initiative to combat challenges faced internationally by the manufacturing sector but has grown to include almost every other sector. Technologies that are shaping the so-called Industry 4.0 (the industry emerging out of 4IR) include robotics, the internet of things (IoT), artificial intelligence (AI) and big data. In a manufacturing context, these technologies are creating the 'factories of the future', a web of interconnected machines creating products that are pre-programmed whilst continuously uploading and downloading data. The Fourth Industrial Revolution will have an immediate impact internationally. No industry, sector or country will be exempt. In Zambia, with an economy heavily reliant upon agriculture, transportation and manufacturing, the application of data to create value will be one of the first areas showing the positive potential of 4IR.

The value of data

It is not only large international manufacturers however who will benefit from this technological revolution. Small to medium sized enterprises in Zambia stand to gain substantial benefit. Even in the absence of sophisticated production and operational machinery and equipment, the one thing that every business, no matter its size, has access to is data. Every minute, hour and day, your business is generating or gathering some form of data. While most businesses routinely collect and use some of this data; such as customer details in a CRM or account history for bookkeeping, many are not mining the available data enough to really extract optimal value from it.

SAP Business One puts small manufacturers first

When narrowing in on a typical manufacturing business, departments often operate independently which makes it difficult to share information and utilise its value across the organisation. To assist small to medium sized businesses in extending its capacity, SAP has developed an integrated mid-market Enterprise Resource Planning (ERP) system, called SAP Business One. This ERP system is ideal for companies engaging primarily in light MTO, ETO, mixed-mode, process, batch and assembly-based manufacturing or who lack the internal capacity for advanced manufacturing systems. It is easy to configure and has room for customisation to fix existing business processes. Key business functionalities, such as financials, sales, production and procurement are integrated and automated. This improves production output while streamlining operations and is powerful enough to balance supply and demand by automatically calculating the combined availability of materials and available capacity. In real terms this means that information is available at all times to the right people in your business. Sales staff, for example, are able to access information about stock availability or progress on orders anywhere while on the move, making it possible to respond to client needs and enquiries within minutes. The ability to track inventory levels in real-time means that inventory is optimised, which gives companies the advantage to reduce inventory-carrying cost while minimising the risk of stock outages. Physical and human resources are optimised and scheduled to maximise the throughput, which yields cost efficiencies and improves the overall production quality.

Improved customer service

On the customer service side, SAP Business One offers a complete view of customers across sales, marketing and financials. This helps businesses with customer retention as well as identifying opportunities for growth and expansion. Businesses that have implemented SAP Business One report that they have seen significant growth, which they attribute to the speed at which decisions can be made using up-to-date and accurate information. In addition, quality control issues can be detected early and adjustments can be made to maintain compliance requirements. By capturing shop floor data, such as availability of materials or due maintenance, potential bottlenecks can be identified early, and delays minimised. Collectively, this will improve customer loyalty as the estimated time-of-delivery gap is reduced as a result of real-time order tracking. Inventory levels can be accurately tracked, and orders placed automatically when stock levels reach a minimum stock level threshold. The value of integrated technologies lies in their ability to build an adaptive and agile manufacturing business, providing the necessary data for strategic decision-making while recognising opportunities within the market. This frees up managers and business owners, allowing them to focus on developing the business rather than micro-managing people, teams and departments.

A tailored solution for Zambia

Rated as the No.1 SAP Business One Partner in Africa, Bluekey Seidor has helped more than 300 enterprises across the continent run their businesses better, bringing concrete benefits to business owners by driving efficiency, profitability and growth while giving management effective control and visibility. Ensuring local Zambian small and medium sized enterprises are able to benefit from SAP's global expertise both in implementation and optimisation of Business One in local manufacturing concerns, **Seidor Zambia** offers customers long terms local support from the most experienced SAP consulting resources in Africa.

2018 ZAM Mini Directory

COMPANY	SECTOR	CONTACT DETAILS
DIAMOND		
Trade Kings	Agro Processing	260-211-286117/27
Roland Imperial Tobacco	Agro Processing	0211 256649
Neelkanth Cable	Metal Fabrication	260-212-671661
Neelkanth Lime	Cement & Refractory	260-211-846098
JTI Leaf Zambia Limited	Agro Processing	211375000
Metal Fabricators of Zambia	Metal Fabrication	260-212 591000; 591012 LSK 260 211 229003/4
AMG Investment Limited	Metal Fabrication	211846444
Technical Engineering Company Limited	Metal Fabrication	211846444
MMI Intergrated Steel Mills	Metal Fabrication	260-211-846098/ 287266
Bwenzi Group	Beverages (Alcoholic)	0955482001
Musa Biscuits	Agro Processing	260 211 286683
Seedco	Agro Processing	260-211-288048 /9
Kachema Meat Products	Agro Processing	260- 211- 232918
Global Industries Limited	Agro Processing	260-212-650031/6/7
El Sewedy Electric (z) Limited	Electrical Engeering	260-212-650120
NWK Agri Services Ltd	Agro Processing	260-211-288125/ 288333
Dangote Industries	Cement & Refractory	0971260666
Morganite Zambia Limited	Metal Fabrication	260 -212-611297-8/615058
Africa's Best Beverages Limited	Beverages (Alcoholic)	0961932095
Zambian Breweries PLC	Beverages (Alcoholic & Non-Alcoholic)	260-211-246555/ 246442/3
British Amerian Tobacco Zambia plc	Agro Processing	211272287
Jash Breweries Ltd	Beverages (Alcoholic)	0972096711
Zambian Fertilizers Limited	Agro Processing	211240375
Zambia Sugar	Agro Processing	260- 232- 231106
Outnet Marketing limited	Paper	2118432831
Zayaan Investment Limited	Agro Processing	211234555
Zambia Bata Shoe Company Plc	Leather & Leather products	260-211-242328/ 244397/244254
Zambeef Products Plc	Agro Processing	229880,252456;369003 (Head office)
Novatek	Agro Processing	229880,252456;369003 (Head office)
Zamleather	Agro Processing	229880,252456;369003 (Head office)
Lafarge Limited	Cement & Refractory	211367400

PLATINUM		
Acacia Beverages Ltd	Agro Processing	260-211 286580/ 286583
Kansai Plascon Zambia Ltd	Paints	211-845668/287939/287978/
Melcome Industries	Plastics	260-211-287481/ 289717
SR Distileries Z Ltd	Beverages (Alcoholic)	260-211-273449
City Clothing	Textiles and Garments	260-211-222142
The Real Meat Company	Agro Processing	211287703

COMPANY	SECTOR	CONTACT DETAILS
	GOLD	
Mount Meru	Agro Processing	260-211-255241
Reba Industries	Mining	260-212- 251267
Natural Valley Ltd	Beverages (Non-Alcoholic)	260-211-283841
Electrical Maintenance Lsk	Electrical Engeering	260-211-227824-8
Equatorial Food Ingredients	Agro Processing	260-211-272120-2
Saro Agro Industrial Ltd	Metal Fabrication	260-211-241477/845675
Californian Beverages Ltd	Beverages (Non-Alcoholic)	260-211-247012/246112
Pembe Flour Mills , Feed and PP	Milling	260-211-845294
Nampak Zambia Ltd	Plastics	260-211-247525
National Milling Corporation Ltd	Milling	260-211-229548
Parmalat Zambia Ltd	Agro Processing	260-211-378400-3/ 378426
Copperbelt Forestry Co. Ltd	Wood & Wood products	260-211-246611/ 260-212 217648
Duncan, Gilbey and Matheson Zambia	Beverages (Alcoholic)	260-211-247167
Classecon Roofing Africa	Asbestos/building materials	0211-840164-6
Manal Investment Ltd	Plastics	260-211-286431/ 235
Capital Fisheries Ltd	Agro Processing	260-211-287935
Polythene Products Zambia Ltd	Plastics	260 211 287 860-3
Dulux Zambia 2005 Limited	paints	260-211-287035/286807
Majoru Investments Limited	Agro Processing	260-211 272913
Africa Feeds Ltd (Tiger Animal Feeds)	Agro Processing	260-211-28626
Tata (Z) Ltd	Metal Fabrication	260-211-286081
Sakiza Spinning	Textiles & Garments	260-212-215905
Strongpak	Plastics	974776704
Scaw Limited	Metal Fabrication	212213435
Zen Industries	Beverages (Alcoholic)	260-964 409688
Superior Milling Ltd	Milling	260-211-289252/ 289848
Jewel of Africa	Gemstones	260-211-25005
Sai Beverages Zambia Ltd	Beverages (Alcoholic)	211286546
Southern Beverages Zambia Ltd	Beverages (Alcoholic)	973559902
Invesco Ltd	Beverages (Non-Alcoholic)	260-212-650656/650315/650682
Lublend Limited	Petroleum Products	260-212-655381-4
Box Pack Z Ltd	Paper	260-211-846152
Prime Care Alcohols	Beverages (Alcoholic)	260-211-846143
National Breweries	Beverages	211246326
Nampak	Plastics	211229548
Non Ferrous Metal works	Metal Fabrication	260 212 651603-5
Afritank	Plastics	260-211-289601
Royal Flour Mills Limited	Milling	211231118
Champion Industries Limited	Beverages (Alcoholic)	260-973 614610
Superior Milling	Milling	211289252
Jimbara Merchants	Milling	212821172
Agrofuel	Metal Fabrication	260- 211- 288836/ 287979
	SILVER	
Rivonia Farm Products	Agro Processing	211- 213079/210903
Polymer Containers	Plastics	260-211-233384
Seba Foods (Z) Ltd	Agro Processing	260-211-242380/242415
Sav Steel Mills Ltd	Metal Fabrication	0972062438
Gourock Zambia	Plastics	212615655

COMPANY	SECTOR	CONTACT DETAILS
	SILVER	
Neon General Signs	Electrical Engeering	260-211-290572
Signs of the Times Zambia Ltd	Paper	260-211-252428
Dolphin Containers Ltd	Plastics	211273030
Essential Commodities Ltd	Agro Processing	260-211-286261/ 286260/ 286388
Unified Chemicals (Z) Ltd	Agro Processing	286639
Afripak Zambia Limited	Plastics	0211847002/3
Parrogate Ginners Ltd	Agro Processing	211273793
Southern Africa Ferro Alloys Zambia	Metal Fabrication	260-212-213435/933/ 213729
Imperial Plastics	Plastics	260-211-212500
Lunzua Beverages	Beverages	211 251450
Kazuma Plastics ltd	Plastics	260-211-287812/13
Oriental Steel Company	Metal Fabrication	260-211-846666
Mansa Chili Limited	Agro Processing	211259970
Sobi Industries Limited	Agro Processing	211221990
Amigo Foods Limited	Agro Processing	260-211-221247/226274/241319
Unity Group	Textile & Garments	212650222
	BRONZE	
International Drug Compnay	Pharmaceutical	260-211-234485/6/7
Dugude Enterprises and Semi Conductors	Electrical Engeering	0977345529
Heroes Foundry & Engineering	Metal Fabrication	977870353
Family Juice Ltd	Agro Processing	0974192850
Kane Limited	Agro Processing	260-211-21433
Smart Icones Investment Limited	Agro Processing	0966474630
Signquip Branding Limited	Metal Fabrication	0211- 232055
Vwala Safety	Textiles and Garment	260-211-221949
Premier Safety Zambia Limited	Textiles and Garments	211254919
Mega Swift Enterprise Limited	Agro Processing	0977417874
Moonstar Steel Investments Limited	Metal Fabrication	0976156336
Lyeni Investments Limited	Agro Processing	0977865442
Sunsweet Beverages	Beverages (Alcohol)	0978815653
Ivaan Industries Limite	Soaps amd Chemicals	0963888882
Emerging Cooking Solutions	Agro Processing	211295117
Actrader Zambia Limited	Bevages (Non-alcoholic)	0977478465
Atlantic Beverages	Beverages (Non-Alcoholic)	0977479561
Prosteel Investment Limited	Metal Fabrication	0968111174
	ZAM ASSOCIATE	
Bureau Veritas	Consultancy	260-211-256721
Advisory Services Zambia Limited (AMSCO)	Consultancy	211295943
Business Partners	Financial services	211843390
Tailors Co operating Society	Textiles and Garment	0973231223
Granny Nursery School	Tertiary institution	0977871242
ZCCZ	Construction	

Photo Focus


PROUDLY ZAMBIAN


KEY TO INDUSTRIALIZATION"


ZAMLEATHER
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Zambia Electrometer


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