



REPUBLIC OF ZAMBIA

**INVESTMENT OPPORTUNITIES IN THE TRANSPORT & COMMUNICATIONS
SECTORS IN ZAMBIA**

PRIVATE SECTOR PARTICIPATION-PPP

DEVELOPMENT OF INTERNATIONAL AIR HUB LOGISTICS CENTER AND INLAND PORTS

Estimated Cost: Not ascertained

Summary of works: Feasibility study to design and develop an International Air Hub Logistics Center and Inland Ports

Objective:

To make Zambia a regional center of excellence for the distribution of air cargo and management of inland dry ports.

Description:

Zambia being geographically, centrally located with reference to its neighbors and, being reasonably politically stable, has the advantages to maximize the opportunity to create air cargo hubs and inland dry ports that can be regional centers of excellence in the distribution and management of air and dry cargo for local, regional and foreign entrepreneurs. These centers may have special incentives that will make them attractive for investors to do business in. The geographical position of Zambia therefore makes it the automatic route of transit for goods and cargo from South to North and West to East. There is therefore this untapped potential for Zambia to be a major player in the efficient and dry cargo in the region. A well managed air cargo hub and inland dry port infrastructure can be a significant source of economic development in Zambia.

Status: Government is looking for investors for this project

CHIPATA DRY PORT

Project Estimates

Area required: 4 hectares

Full Cost: 5,267,076 euros

Objective: The overall objective of the project is to encourage economic development and economic growth and to reduce poverty in Zambia. The project purpose is to reduce transport cost of Zambia Cargo through the Nacala Corridor and to the deep sea port at Nacala by establishing a Dry Port in Chipata

MARKET ANALYSIS: The project is found to be both financially and economically viable. Under central assumptions on values of costs and benefits, it was found to have a financial net present value (NPV) of British Pound Sterling 0.892, giving a financial rate of return of 17.6% per annum. The economic evaluation showed an NPV of British Pounds Sterling 7.590 million, with an economic rate of return of 28.8%

Status: Need an investor on BOT basis

Acquisition of Large Craft Vessel to operate on Lake Tanganyika

Cost: 1 000 000 USD

Summary of works: Acquisition of a Cargo Craft Vessel to operate on Lake Tanganyika

Objective: To make full use of the inland waters of Lake Tanganyika by providing a large vessel that can move cargo to and from the great entire Lakes region.

Description: Lake Tanganyika is the second deepest lake in the world, and is located in Zambia's prime area which is targeted for high tourism activities. The Kasaba Bay has been ear marked by the Zambian government developmental activities with Government putting in place all necessary incentives like Highdro-electricity, changing the airport to allow for civilian planes to land. Improvements of the road network of the area thereby allow easy access to and from the area.

Status: The Government is looking for private investors to operate a Large Cargo and Passenger Water Vessel on Lake Tanganyika.



ICT PROJECTS

Establishment of ICT Park in Kabwe MFEZ

Cost: US\$200-300m over 3 phases

Summary of works: Feasibility study, Design and Implementation (infrastructure) of ICT Park in Kabwe MFEZ.

Objective: Develop an ICT Park to manufacture/assemble ICT equipment and offer advanced IT services Lusaka/Kabwe MFEZ to support job and wealth creation and IT skills transfer as outlined in Vision 2030.

Description: Zambia is in a geographic position which from a telecommunications/ICT point gives the country a natural hub for ICTs services which can be offered to the region and globally. Creating such a hub requires infrastructure matching the expectations of companies that are supported to provide world ICT infrastructure, products and Services. Given that creating such a hub requires the participation of Multi National Companies (MNCs) such as Microsoft, Cisco etc, an exclusive zone of about 100 hectares is required to be designed and modeled around successful ICT parks such as in Mauritius, Sudan, Algeria – all these are designed by Telecommunications Consultants India Limited (TCIL).

Status: Government has projected to build an ICT Park by 2014. The Government has put this as a priority and has put a budget for this activity only to cover administrative costs for this project. Government is inviting interested investors to come on board.

ICT-enabled Services - A new Opportunity

ICT-enabled Services is a new industry in application of Information and Communication Technology. It refers to a situation where remotely located organizations, mostly in Europe and USA, utilize ICT companies in the developing world, where costs are still low, to process routine information on a daily basis and e-mail back the processed information to the remote company just in time for the next day's operations.

India, Malaysia and Mauritius are among the countries that have benefited a lot from providing such ICT-enabled services to the USA, Europe, Japan, Australia, etc. There is no reason why Zambia should not exploit part of that market. The more important such services include:

- i. Call Centers - system includes an information centre for use as a "central system" that is hired by clients in overseas locations.
- ii. Medical transcriptions - a system whereby foreign medical records of clients may be passed to the Zambian vendor for processing and immediately sent back via electronic means.
- iii. Back Office operation - foreign records of banks and other institutions, including accounts, may be passed on to the Zambian vendor for processing on a daily basis and sent back immediately thereafter.
- iv. Insurance claim processing - a system of processing insurance claims on behalf of the foreign insurance company before they can be paid.
- v. Legal databases - a system for lawyers to search for reference information on legal cases for foreign clients in need of such services.
- vi. Content Development and Services - this digital content industry includes the printing and publishing media, television media and the information communication technology facilities and services.
- vii. Filming industry - this is a concept of graphic animation whereby a good percentage of the entire film is modeled on the computer.
- viii. Logistics Management - facilitation services on behalf of clients that have logistics problems.