

SUMMARY HANDBOOK

# Country Profile for ZAMBIA



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## **LIST OF ACRONYMS**

<b>C-BRTA</b>	Cross-Border Road Transport Agency
<b>CRN</b>	Core Road Network
<b>DRC</b>	Democratic Republic of the Congo
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>OSBP</b>	One Stop Border Post
<b>PFR</b>	Primary Feeder Roads
<b>SADC</b>	Southern African Development Community
<b>TAZARA</b>	Tanzania Zambia Railway Authority
<b>TMD</b>	Trunk, Main and District roads
<b>USA</b>	United States of America
<b>WTO</b>	World Trade Organisation
<b>ZDA</b>	Zambia Development Agency
<b>ZRA</b>	Zambia Revenue Authority

## 1. OVERVIEW

Zambia is a landlocked country in Southern Africa, neighbouring the Democratic Republic of the Congo to the north, Tanzania to the north-east, Malawi to the east, Mozambique to the southeast, Zimbabwe and Botswana to the south, Namibia to the southwest and Angola to the west. The spoken languages are English and several Bantu languages, with major dialects being Bemba (ChiBemba) 33%, Nyanja (Cinyanja) 15%, Tonga (Chitonga) 11% and Lozi 5.5%. The currency of Zambia is the Zambian Kwacha. Zambia is a low middle-income country. The capital city is Lusaka, located in the south-central part of Zambia with an area of 752,618 km<sup>2</sup>.

The population of Zambia is 17,466,732, and the population density in is 24 per Km<sup>2</sup> (61 people per mi<sup>2</sup>). Meanwhile, 41.1% of the population lives in urban areas (7,239,024 people in 2018). Zambia is divided into 10 provinces, namely: Central, Copperbelt, Eastern, Luapula, Lusaka, Northern, Muchinga, North-Western, Southern and Western. These provinces are further divided into 72 total districts.

## 2. ROAD TRANSPORT SYSTEM

Zambia's primary and secondary networks provide basic regional and national connectivity, linking the provincial capitals to Lusaka, and Lusaka to the main international border crossings. More than 80 percent of Zambia's paved road networks are in good or fair condition, and on par with its middle-income neighbours.

### 2.1 Border posts

Zambia has several border posts that link up the country with Botswana, Zimbabwe, Mozambique, Namibia, Angola, DRC, Tanzania and Malawi.

The operating hours of the border posts are outlined in Table 1 below.

**Table 1: Zambia Border Posts and operating times**

Countries	Border Post	Operating Times
Angola - Zambia	Jimbe	06:00 – 18:00
	Caripande/Chavunna	07:00 – 18:00
Botswana - Zambia	Kazungula Ferry	06:00 – 18:00
DRC - Zambia	Kasumbalesa (OSBP)	24 hours
Malawi - Zambia	Chipita/Mchinji	Light vehicles: 24 hours
		Commercial vehicles 06:00 –

		18:00
	Mqocha / Mtyocha	06:00 – 18:00
	Katumbi / Hewe	06:00 – 18:00
	Chipita / Kanyala	06:00 – 18:00
Mozambique - Zambia	Chanida/Cassacatiza	06:00 - 18:00
	Luangwa/Zumbo	06:00 – 18:00
	Chimefusa	07:00 - 17:00
Namibia - Zambia	Wenela	06:00 – 18:00
Tanzania - Zambia	Mbala	06:00 – 18:00
	Tunduma/Nakonde (OSBP)	06:00 – 18:00
Zimbabwe - Zambia	Chirundu (OSBP)	06:00 – 22:00
	Siavonga/Kariba	06:00 – 18:00
	Kazungula Ferry	06:00 – 18:00
	Kazangula Road	06:00 – 18:00
	Livingstone/Victoria Falls	06:00 – 18:00

The tariff for crossing the border posts on the Zambian side include:

- Road tax of \$48 for Botswana-registered vehicles and vehicles registered in other countries, such as South Africa, pay \$20;
- Carbon tax and the amount depends on the engine capacity and must be in Zambian Kwacha; and
- Third party insurance as well as Council tax.

### **3. ROAD TRANSPORT LEGISLATION**

#### **3.1 Speed Limits**

The general speed limit on national highways is 100km/h, secondary roads 100km/h and in urban built up areas is 65 km/h unless otherwise indicated.

#### **3.2 Traffic Fines**

Zambia's traffic moves on the left side on the road and the minimum driving age is 18 years. The minimum age for renting a car is between 23 years and 25 years. If below 25 years, renting a car is accompanied by a payment for a young driver premium. It is mandatory to use seat belts at all times while driving. Using cell phones while driving is prohibited; the exception is cell phones with hands-free systems. The offenses and official road traffic fines for Zambia are outlined in Table 2 below.

**Table 2: Traffic Fines**

<b>TRAFFIC VIOLATION</b>	<b>AMOUNT (KWACHA)</b>
<b>Driving under the influence</b>	K6000 or 5 years imprisonment
<b>Refusing to give blood/breath sample</b> <b>Limit 80mg per 100ml of blood</b>	K600 or 6 months imprisonment
<b>Exceeding speed limit</b>	K300 up to K10 000
<b>Defects in the car (hooter, tyre, worn out brakes)</b>	K300
<b>Failure to obey traffic signs and signals</b>	1st offence K300, 2nd offence K900
<b>Obstructing other road users/roadway</b>	1 <sup>st</sup> offence K300, 2 <sup>nd</sup> offence K900
<b>Driving without license</b>	1 <sup>st</sup> offence K450, 2 <sup>nd</sup> offence K900
<b>Reckless driving</b>	K4500 OR 5 years imprisonment
<b>Using a cell-phone</b>	K450
<b>Unauthorised goods</b>	K300
<b>Exceeding number of occupants</b>	K300
<b>Failure to clear motor vehicle with customs</b>	K60 000 or 5 years imprisonment
<b>Failure to clear motor vehicle with Interpol</b>	K60 000 or 5 years imprisonment
<b>False Declaration to a customs division officer</b>	K60 000 or 5 years imprisonment

*Source: RTSA, Accessed electronically on 04/07/2018*

### **3.3 Toll Plazas**

The National Road Fund Agency (NRFA) is in the process of rolling out the National Road Tolling Programme (NRTP) Phase II covering all vehicle classifications to all the 10 provinces to broaden the revenue base, particularly for road maintenance. Toll sites have been identified based on traffic volumes and the economic viability of the roads. The toll tariff structure for inland toll gates is shown below in Table 3.

**Table 3: Road toll tariff structure**

Description	Charge Method/ Trip	ZMW
Small vehicles (including cars, vans and minibuses up to 15 seats) (Single Access) GVM <3,500Kg	Fixed	20.00
Minibuses (16-30 seats) Single Access) including light Trucks with 3,500Kg <GVM>6,500Kg	Fixed	40.00
Buses above 30 seats (Single Access)Light Trucks and with 2-3 Axles and GVM>6,500 Kg single access	Fixed	50.00
Heavy vehicles with articulated <b>semi-trailer</b> -4 Axles (Single Access)	Fixed	150.00
Heavy trucks with articulated semitrailer –above 4 Axles (Single Access)Heavy vehicles interlink –above 6 Axles (Single Access)	Fixed	150.00
Abnormal loads (Single Access)	Fixed	500.00

Source: *nrafa.org.zm*; Accessed on 18/07/2018

Currently there are 20 toll collection sites, shown in Table 4 below.

**Table 4: Operational Toll Collection Sites**

Toll Station Name	Port of Entry
Shimabala	Chirundu
Katuba	Kariba
Mumbwa	Livingstone Falls Way
Manyumbi	Kazungula
Kafulafuta	Katima Mulilo
Kafue/Turnpike	Kasumbalesa
Kazungula Weighbridge	Nakonde
Kapiri Mposhi Weighbridge	Mwami
Mwami Weighbridge	Chanida
Livingstone Weighbridge	
Mpika Weighbridge	

Source: *nrafa.org.zm*, Accessed on 19/07/2018

#### **4. CROSS BORDER ROAD TRANSPORT PERMITS**

The number of permits issued by the C-BRTA from South Africa to Zambia for freight transport in the financial year 2017/18 is 12 616 which is a 3.3% decrease from 13 044 that was issued in financial year 2016/17. Passenger transport permits issued for the same comparative periods are 83 and 34 respectively. Currently there are no taxis transporting passengers between South Africa and Zambia.

#### **5. DEVELOPMENTS AND ECONOMIC OUTLOOK**

The economic structure of Zambia consists of 5.45% primary sector, which comprises of crop farming, livestock rearing and fisheries. The agricultural sector is a sizeable contributor to the economy as it contributes to both growth and exports, even though it contributes the least to GDP. Mining, construction and manufacturing together make up the majority of the secondary sector at 35.5%. Growth in the manufacturing industry is largely driven by the agro-processing of food and beverages as well as the textiles and leather subsectors. Manufacturing absorbs much of the output from other sectors such as agriculture, and also supplies inputs into the other secondary sectors.

The Zambia Development Agency (ZDA) provides various incentives for companies investing in the mining sector in the country. Zambia is a large producer of copper and the commodity is the country's largest export product. The tertiary sector includes a large wholesale and retail trade industry. Tourism is also growing and has a positive knock-on effect on transport and accommodation providers.

Zambia attained macroeconomic stability for than a decade and achieved impressive real growth averaging 6.7% per annum and lifting the country above the threshold of lower middle income countries. However, growth slowed during the period 2015 to 2017, due to falling copper prices, reduced power generation, and depreciation of the Kwacha. Zambia's lack of economic diversification and dependency on copper as its sole major export makes it vulnerable to fluctuations in the world commodities market. This is exemplified by the downward turn in prices for commodities in 2015 due to declining demand from China which culminated in Zambia being overtaken by the Democratic Republic of Congo as Africa's largest copper producer.



## 5.1 Zambia's Trade with SADC

South Africa is leading in terms of both exports and imports followed by Namibia, Tanzania and Mozambique as depicted in Table 5 below.

**Table 5: Zambia's Trade with selected SADC countries**

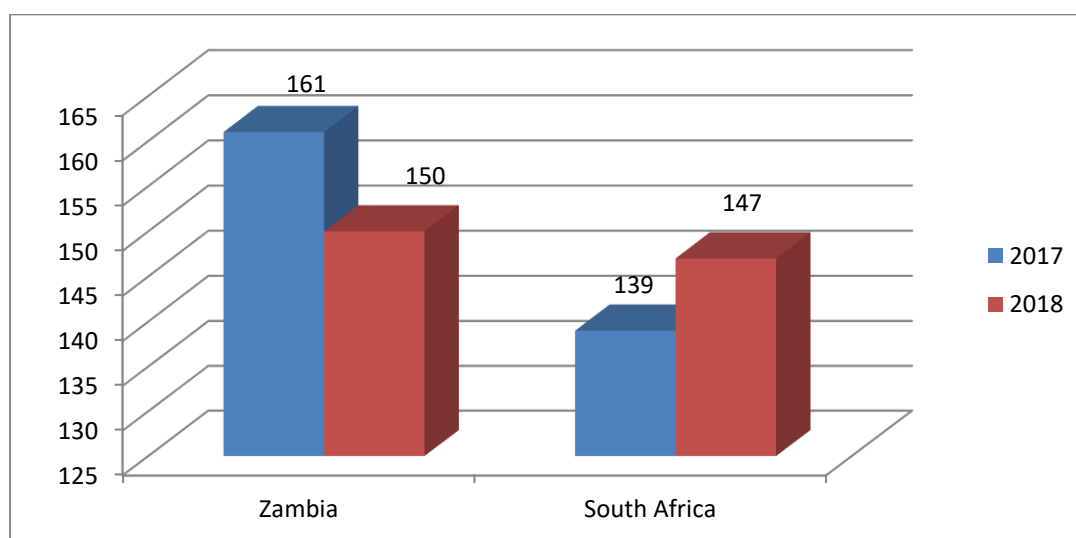
Country	Q1 2017		Q2 2017		Q3 2017		Q4 2017	
	Export	Imports	Export	Import	Exports	Import	Exports	Imports
Angola	0.6	0	0.4	0.1	0.3	0.2	0.9	0
Botswana	3.4	2.2	4.9	4.6	6.6	4.8	12.2	6.3
Lesotho	1.3	0	0	0	0	0	0	0.1
Mozambique	5.5	21.1	4.7	104.3	2.6	11.8	4.8	42.8
Namibia	5.5	20.3	6.2	22	7.4	24.8	2.4	58.8
South Africa	77	594.4	88.8	590.3	166.7	630.2	121.1	641.4
Tanzania	20.6	0	19.3	45	27.4	59.7	21.8	46.2
	<b>113.9</b>	<b>638</b>	<b>124.3</b>	<b>766.3</b>	<b>211</b>	<b>731.5</b>	<b>163.2</b>	<b>795.6</b>

Source: Bank of Zambia, Accessed on 21/05/2018

## 5.2 Trading across borders

Figure 1 below shows Zambia's trading across borders rank compared to South Africa.

**Figure 1: Trading Across Borders South Africa vs. Zambia**



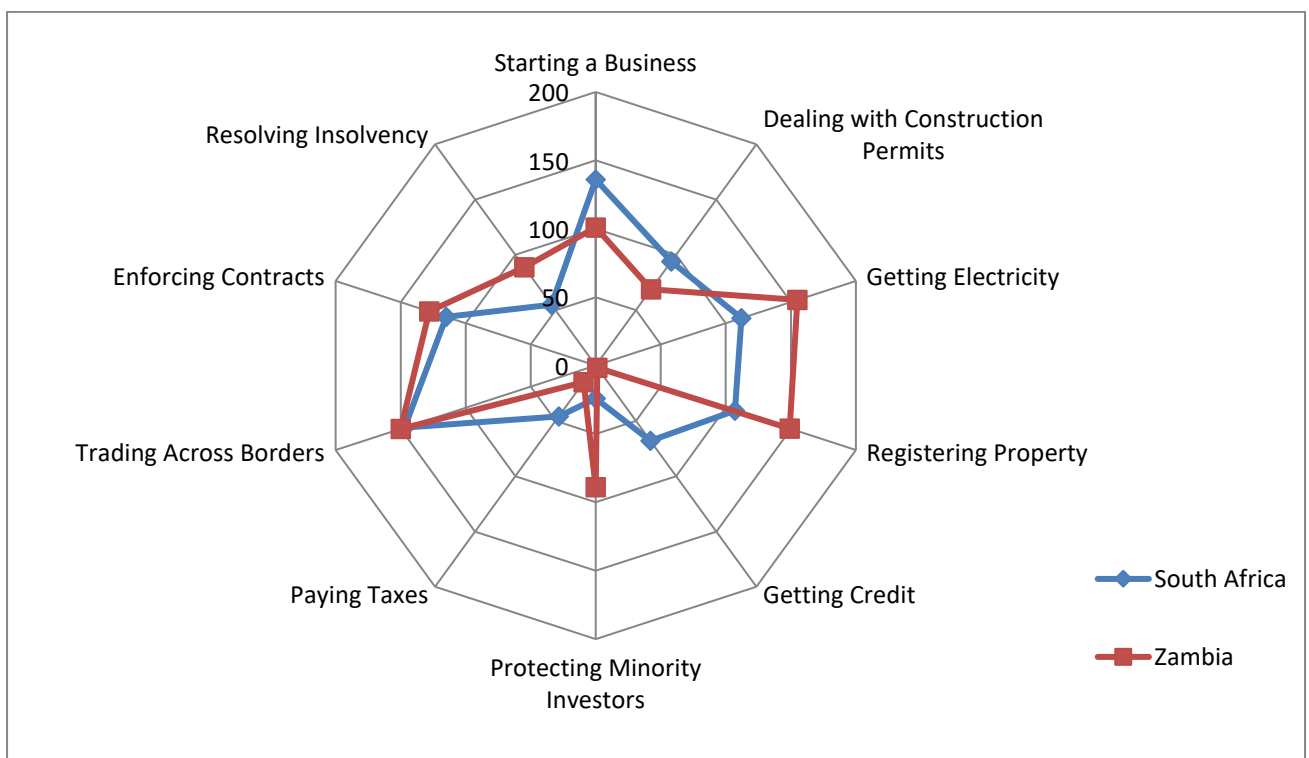
Source: World Bank, Doing Business 2018, Accessed electronically on 13/06/2018

The trading across borders rating is based on a set of specific predefined procedures. It is based on the time and cost to import and export focusing on both border and documentary compliance (excluding tariffs and the time and cost for sea transport).

## 6. EASE OF DOING BUSINESS

According to the World Bank, Zambia is ranked at 85th in 2018 which is an improvement from the 2017 ranking for the ease of doing business out of a total of 190 economies. The ease of doing business covers 10 themes and the ranking between Zambia and South Africa is shown in Figure 2 below.

**Figure 2: Zambia vs. South Africa Rankings**



Source: World Bank, *Doing Business 2018*, Accessed electronically on 25/05/2018

When comparing Zambia with South Africa using the 10 themes, it shows that Zambia is performing better than South Africa in four areas namely starting a business, dealing with construction permits, getting credit and paying taxes.

## **7. REQUIREMENTS FOR IMPORTATION AND EXPORTATION**

### **7.1 Importation Procedure**

In order to clear goods through Customs, an importer must present commercial documents such as bill of lading, airway bill and commercial invoice. The Import Declaration Form is used for statistical purposes, and no fee is required. For goods to be cleared at the border, the importer fills the Zambia Revenue Authority (ZRA) Form CE 20, the standard form for entry and exit. Zambia is using the Automated System for Customs Data and Management (ASYCUDA). Customs clearance can be accomplished within hours, but incomplete forms and other difficulties, (e.g. lack of supporting documents) can result in substantial delays.

Zambia applies tariffs on the Cost, Insurance and Freight (C.I.F.) basis. Customs tariffs are calculated on the basis of the dutiable value, based on the World Trade Organisation (WTO) Agreement on Customs Valuation. Most tariffs are ad valorem (method for charging a duty, fee, or tax according to the value of goods and services, instead of by a fixed rate, or by weight or quantity) but a few specific tariffs remain.. Zambia's tariff schedule is structured around four tiers: 0%, 5%, 15% and 25% rates of duty. Virtually all raw materials and most industrial or productive machinery fall within the 0 and 5 percent tariff categories, while most imported intermediate goods are subject to 15 percent, and imported final products are subject to 25 percent duty. Zambia's simple average import tariff is about 14 percent.

### **7.2 Exportation Procedure**

Exporters must complete an export declaration form (standard customs authority form ZRA CE 20, mainly for statistical purposes. An original commercial invoice and a packaging list for shipment should accompany the form CE20. An airway bill or bill of lading for transportation of exports should be obtained either from the freight forwarder or the transporter being used. Zambia has no export taxes, charges and levies.

If there are preferences that are being claimed in the exporting market (e.g. reduced tariffs), then an appropriate stamped certificate of origin, from the ZRA is required. Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), European Union (EU) and African Growth and Opportunity Act (AGOA) textiles have different certificates of origin.

A very limited number of goods require a special export permit. Gemstone exports require a permit from the Ministry of Mines, Energy and Water Development; timber requires a timber verification certificate from the Forestry Department.

## 8. OPPORTUNITIES

The following opportunities exist in Zambia for cross-border transport operators and the trading community:

- **Transport and Logistics:** Opportunities exist with respect to transportation of minerals from mines to various export destinations especial major ports in the region. This also creates opportunities for both new and existing companies in the refight logistics industry.
- **Passenger Transport:** Opportunities exist with respect to provision of bus operations as the volume of passengers travelling by road exceed those carried by other modes. This was also demonstrated by increase in permits issued. Passenger transport operators also have opportunities with respect to tourism.
- **Mining sector:** Opportunities exist with respect to extraction and processing of minerals , establishment of copper and other mining related industrial parks, copper mining and beneficiation, especially in setting up copper smelting and refinery facilities, providing mining support services (in particular, machinery) for the mining sector and joint-ventures with existing small-scale operators or in green fields investments in gemstone mining and processing (emeralds, amethyst, aquamarine, tourmaline, garnets and beryl).
- **Infrastructure sector:** Opportunities exist with respect to transport Infrastructure, airports and related support infrastructure, road transport infrastructure, railways transport infrastructure and housing and estates infrastructure amongst others.
- **Energy Infrastructure:** Opportunities exist with respect to electricity generation and transmission, refineries, storage facilities and pipelines for petroleum and gas and renewable energy facilities.
- **Agriculture sector:** Opportunities exist with respect to livestock production, development of textile production facilities, livestock breeding, agro processing and fisheries.
- **Tourism sector:** Opportunities exist with respect to redevelopment of the existing infrastructure facilities and international tourism services. Zambia is well connected with the rest of the regional countries.
- **Manufacturing sector:** Opportunities exist with respect to minerals processing, chemical products, engineering and metal works, packaging materials, food processing and the textiles.

## 9. CONTACT DETAILS OF RELEVANT AUTHORITIES

Should cross-border operators or any other part conducting trade between South Africa and Zambia face challenges at border posts and or in the corridor, they should contact the following key stakeholders for speedy resolution of challenges and assistance:

**Table 6: Contact Details**

<b>South Africa</b>	Cross-border Road Transport Agency	+27 (0) 12 471 2000
	SARS Customs	0800 00 7277
	DHA	+27 (0) 13 793 7311
	SAPS	+27 (0) 12 393 1000
	Agriculture	+27 (0) 12 319 6000
	SANRAL	+27 (0) 12 844 8000
<b>Zambia</b>	Chirundu Border Post	+260 21 1383700
	Zambia Development Agency	+260 21 1220177
	Road Development Agency	+260 21 1253088
	Road Transport and Safety Agency	+260 21 1230553
	National Road Fund Agency	+260 21 1253145/255660
	Ministry of Tourism and Arts	+260 21 1238772
	Ministry of Transport and Communications	+260 21 125144
	Ministry of Commerce, Trade and Industry	+260 21 1228301
	Zambia Revenue Authority	+260 211 380000/383232
Zambia Tourism Board	+260 21 1229087/9	



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